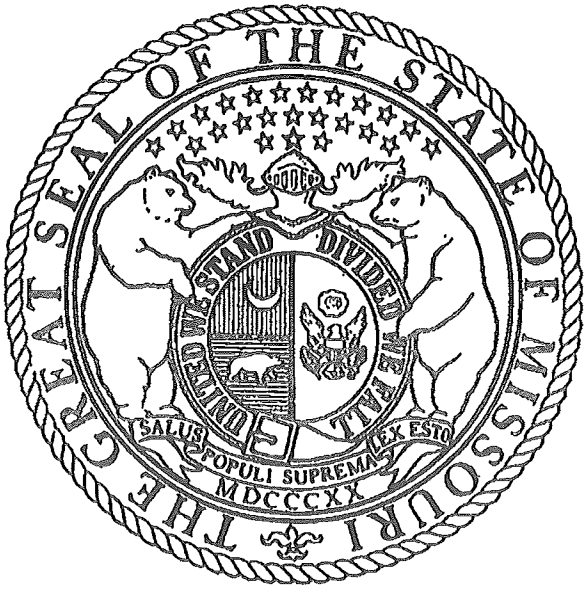
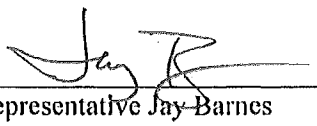
Report of the House Interim Committee on Government Oversight and Accountability

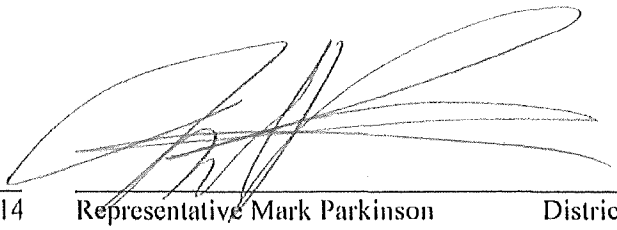


Mamtek Report

February 2012



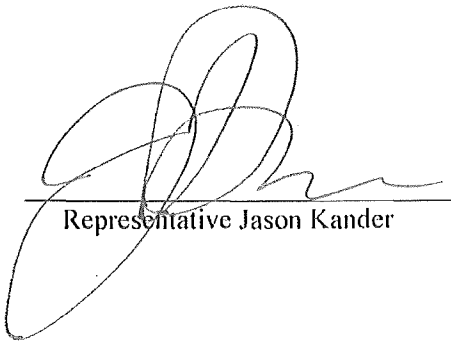
Representative Jay Barnes District 114



Representative Mark Parkinson District 16

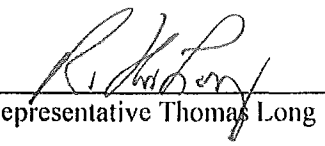
Representative Rory Ellinger District 72

Representative Tom Flanigan District 127

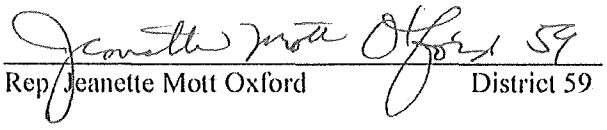


Representative Jason Kander District 44

Representative Chris Kelly District 24

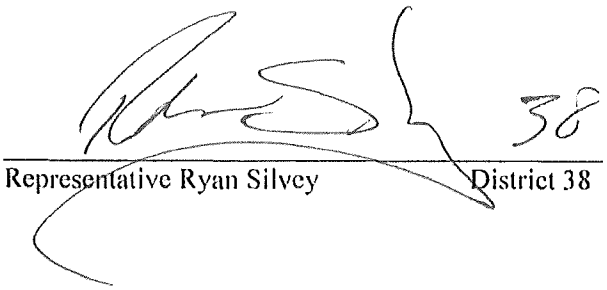


Representative Thomas Long District 134

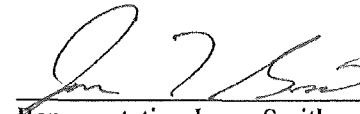


Rep. Jeanette Mott Oxford District 59

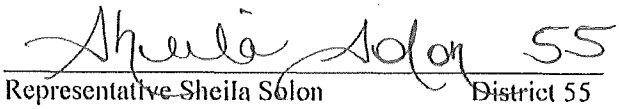
Rep. Todd Richardson District 154



Representative Ryan Silvey District 38



Representative Jason Smith District 150



Representative Sheila Solon District 55

Introduction

In early September 2011, Mamtek USA, a putative sucralose manufacturer, laid off its Missouri employees and failed to make payments to the City of Moberly on $39 million in municipal revenue bonds for the construction of a sucralose plant. Subsequent to Mamtek's failure, default occurred with those bonds and litigation commenced between interested parties over Mamtek's failure to make payments to the City of Moberly and begin production of sucralose.

This committee was created by Speaker Steven Tilley for the purpose of investigating several instances of potential waste, fraud, or abuse in state government – including the Mamtek situation in Moberly. The committee's goal is to determine what went wrong with Mamtek, and, if something went wrong that could be prevented, to suggest government policies to prevent such a situation from happening again.

The committee held hearings on November 29 and 30, 2011, as well as January 19, 2012. In addition, the committee received evidence in the form of emails, other exhibits and witnesses. The committee recognizes that email is not the sole method of communication for any entity. In addition, the committee realizes that this inquiry was made with the benefit of hindsight. Witnesses included the following:

- Kevin Thompson and Dick Murray on behalf of Morgan Keegan, the bond underwriter
- Joe Bednar on behalf of UMB
- Corey Mehaffy on behalf of the Moberly Area Economic Development Corporation
- Mayor Bob Riley on behalf of the City of Moberly
- Molly McGovern, Environmental Consultant
- Former Missouri Governor Bob Holden on behalf of the Midwest-China Association
- Director David Kerr on behalf of the Missouri Department of Economic Development
- Sallie Hemenway, Division Director, Missouri Department of Economic Development
- Chris Pieper, General Counsel, Missouri Department of Economic Development
- Mark Boatman and Jay Summerville, Armstrong Teasdale
- Michael Wise, Perkins Coie, attorney for Mamtek
- Jeffrey Buswick on behalf of Standard & Poor's
- Tom Smith, site consultant for Mamtek

The following persons did not testify, but are mentioned in this report:

- Edward Li a contractor on behalf of DED and Armstrong Teasdale
- Yan Li on behalf of DED and Armstrong Teasdale
- John Fougere, Missouri Department of Economic Development

The following persons were interviewed privately by Rep. Barnes, Rep. Silvey, and Rep. Kelly:

- Lynne Shea, Missouri Department of Economic Development
- Terry Maglich, Missouri Department of Economic Development

The following persons refused to testify before the Committee:

- Tom Cunningham, bond counsel
- Bruce Cole, CEO of Mamtek

Additional investigations into Mamtek International have been or are in the process of being conducted by the Securities and Exchange Commission and Missouri Attorney General Chris Koster.

CHRONOLOGY OF EVENTS

1. In early January 2010, Mamtek USA, through its site consultant Tom Smith, contacted the State of Missouri and several other Midwestern states regarding the possibility of building a sucralose manufacturing plant in the United States.

2. A few months after initial contact with Tom Smith, the Department of Economic Development was contacted by the Midwest-China Association, chaired by former Missouri Governor Bob Holden. The Midwest-China Association was created to foster business relationships between the Midwest and China. Governor Holden does not receive a salary from the organization. Neither Governor Holden nor the Midwest-China Association has the resources necessary to conduct background checks on all persons or businesses desiring to create jobs in the Midwest.

3. On March 19, 2010, DED Project Manager Lynne Shea sent a request for proposals regarding Mamtek to several Missouri communities, including Moberly. The e-mail included the following relevant information:

> I am working a project with Terry Maglich and wanted you to be aware of the opportunity. This is a foreign owned business that is new to the US. They will be producing a sugar substitute in the United States. We still have some due diligence to complete but do deem this a legitimate project. The project parameters are as follows:
>
> - $20 million in m/e
> - Building/land needs: 60,000 sq ft w/ the option to expanding to 85,000. Ceiling height is 35 ft for 80% of the building and 6 acres. Building and acreage investment depends on community's package. Company would consider both lease/purchase of the building.
> - Due to the high ceiling heights requirement this would more than likely be a Greenfield project.
> - 161 new jobs w/ benefits
> - $35k average wage
> - Startup company will likely be seeking operating capital
> - The consultant is currently looking at USDA loans as a financing source
> - They would like to be in a rural community with good access to highways
> - We should know the utility needs first of next week 3/22/10
> - The consultant is looking at being in MO the first week of April to look at sites.
> - Need proposal back by 3/26.
> - Please feel free to call me with any questions.
>
> See *Exhibit A*.

4. On April 6, 2010, Shea requested information from Mamtek site consultant Tom Smith and "reinforce[d] the needs for financials, business plan, and utility requirements asap....Due to the fact the US company has not been formed, financials from the Chinese company would be helpful. Other vital information needed is: the name/assets of the US partners, contracts for the presold product, location of Chinese company (Mainland China or Hong Kong)." See *Exhibit V*.

5. On April 7, 2010, Shea notified Moberly, Sedalia, and Mexico by email that they had been selected to move forward in the process by Mamtek. In addition, Shea stated:

- I have reiterated the following to Tom Smith via email/phone (copy of a portion of my email):
  I do want to reinforce the needs for financials, business plan and utility requirements asap. As you know, the local banks, communities and the state are more than eager to participate as a partner in this exciting business opportunity. In order have a preselected lead bank(s) ready to meet with the USDA by 4/26, it will be necessary for the all of the parties have time to review the financials, business plans. Due to the fact the US company has not been formed, financials from the Chinese company would be helpful. Other vital information needed is: the name/assets of the US partners, contracts for the presold product, location of Chinese company (Mainland China or Hong Kong).

  See *Exhibit W.*

6. On April 8, 2010, Shea asked DED employee Yan Li to conduct a background check on Mamtek's China operations. See *Exhibit B.* On April 9, 2010, Shea's request was forwarded to Edward Li, a contractor for DED employed by Armstrong Teasdale in Shanghai, China. *Id.* On April 13, Edward Li replied with the following information:

   > We found (Mamtek's) plant in Fujian Province, China, never started to manufacture. In 2007, their investment project was approved by Wuyishan City, Fujian. As the initial agreement, local government build the facility and all facility for Mamtek, while Mamtek will rent the facility in the beginning and will finally purchase the facility. The planned investment capital is 20 million USD, which will be invested by three phases. In 2008, although most of the facility was built, Mamtek still didn't start manufacturing. One of the reasons is the protest from local conservation department, who insisted that the project is a kind of fine chemical industry, which should not be set in this zone. In 2009, Mamtek made the deal with local government and agreed to move out (they never started) and so far there is no other news about the new location in China.
   >
   > See *Exhibit C.*

7. Officials from DED, testified that the specifics of Li's claims were thinly-sourced and dated. However, the Committee found at least one source to be highly credible – an apparent report by the Wuyishan City municipal government obtained by Edward Li via Internet search. This cumulative annual report, attached as *Exhibit D*, was dated December 15, 2009, less than one month before Mamtek's first contact with DED, but did not place a specific date on the information regarding Mamtek. *Exhibit E.*

8. According to an article in Bloomberg BusinessWeek from January 4, 2011 entitled, "*A Missouri Town's Sweet Dreams Turn Sour*," Mamtek never began actually manufacturing in China:

   > [I]n the summer of 2007...Mamtek International rented space (in Wuyishan City) to research the production of sucralose....Mamtek created a small facility, almost like a test lab, and sometime in 2008 began building a larger factory capable of producing commercial quantities.
   >
   > In 2009, as construction was completed, the local government revoked Mamtek's license. A senior official at the Wuyishan City External Trade Cooperation Bureau says of that decision: "We don't dictate what industries can or cannot set up here. But we don't allow anything that pollutes the environment and affects the tourism industry." He wasn't more specific, but sucralose production can generate a caustic, salty stream of waste that if dumped untreated into rivers can kill fish and cause serious environmental problems.

> This blow to the business in Wuyishan appears to be what led [Mamtek CEO Bruce] Cole to establish Mamtek in the U.S. Once Cole secured the bond money from Moberly, he returned to Wuyishan during the summer of 2010. He paid Wan $500,000 for the patents and intellectual property associated with the plant. Jeff Howard, Mamtek's general manager, would later deem them nearly worthless. "That technology would really only be of value where environmental concerns are not so significant," says someone else at the company.
>
> See *Exhibit F.*

9. The information provided in the BusinessWeek article and the e-mail from Edward Li contradict claims Mamtek made to Missouri officials regarding their China plant and the environmental impact of their manufacturing process. The committee notes that Edward Li left for China for a trip to the United States on April 14, shortly after his initial email to DED regarding Mamtek's China operations, and Li did not return to China until approximately May 2, 2010. During Li's absence, Mamtek CEO Bruce Cole visited selected communities, including Moberly, and reiterated the claim that the company was in production in China.

10. On May 3, Moberly guaranteed financing to Mamtek if they agreed to locate in Moberly.

11. Officials from DED testified that Moberly was informed of the Department's concerns with Mamtek's China plant. However, the specific contents of Edward Li's e-mails and the attachments, as described in ¶6, were never provided to any Moberly official. Those details directly contradicted the claims attributed to attorney Michael Wise in ¶19 and ¶25 on which Moberly relied as to the existence of Mamtek's China plant.

12. On May 13, Lynne Shea e-mailed Moberly Area Economic Development Corporation President Corey Mehaffy informing him, "Our China office is looking in more detail to Mamtek's China facility. I will let you know what I find out." See *Exhibit G.* On May 17, 2010, Edward Li sent another e-mail to Lynne Shea regarding Mamtek's China operations. In this e-mail, Li noted that the two different addresses provided by Mamtek were not manufacturing facilities. Of one address, Li wrote, "We don't know if Mamtek has a virtual office there or just a registration address for the business license, but one thing for certain is that it's not a manufacture plant." Of the second address, Li wrote, "It's a business center which provides many small cubes to different companies." He continued, "So far, we didn't find any further information regarding another Mamtek manufacture plant in China." See *Exhibit H.* The committee did not receive any evidence that this May 17 email was shared with Moberly officials.

13. Moberly Mayor Bob Riley and MAEDC President Corey Mehaffy testified that they would have proceeded much differently if they had received Li's e-mail and its attachments.

14. Mehaffy testified that someone from Moberly was told that DED had questions about Mamtek's China plant by someone from the Department at an economic development conference in Kansas City. Details, however, were not provided. When asked whether DED could send someone to investigate the plant, Mehaffy testified that someone from Moberly was told it would cost too much money. Director David Kerr repeated this assertion in testimony before the committee, stating that Armstrong Teasdale had a fixed contract under which the Department could not reimburse for travel expenses, but that other parties, including local communities could reimburse for such expenses. There was no testimony, however, that such an offer was made to Moberly. The committee notes that a one-way train ticket from Shanghai to Wuyishan City, Fujian province costs 152 Chinese Yuan, which converts to $24 dollars. See *Exhibit K.*

15. In mid-May 2010, Morgan Keegan contracted to serve as the bond underwriter for the Mamtek related bonds. Morgan Keegan subsequently hired Armstrong Teasdale as counsel for the bonds – the same firm

whose contractor in China noted that Mamtek's factory had never been operational because of environmental concerns, as detailed in ¶4. Morgan Keegan testified that it relied on Armstrong Teasdale for due diligence involved with the Mamtek bonds.

16. On May 28, 2010, Mark Boatman of Armstrong Teasdale sent a Memo to Mamtek US which was provided to Moberly officials and indicated AT would conduct a due diligence investigation into Mamtek. Boatman wrote:

> Mamtek U.S., Inc. (the "*Borrower*") and its counsel are requested to provide the documents, materials, and information specified in this Memorandum in order for Morgan Keegan & Company, Inc. (the "*Underwriter*") and its counsel Armstrong Teasdale LLP ("*Underwriter's Counsel*"), to conduct properly their due diligence review of the organization, operations, and financial condition of the Borrower and to assist in the preparation of the Official Statement with respect to the above-referenced bonds (the "*Bonds*") and the project consisting of the acquisition of and making of improvements to real property and the construction and equipping of a sucralose manufacturing and processing facility within the City of Moberly, Missouri (collectively, the "*Project*").
>
> See *Exhibit U.*

17. On or about June 3, 2010, DED and the City of Moberly received a set of 'due diligence' documents from Mamtek, which included a financial statement, letters of interest from potential sucralose purchasers, lab test results, and an overview of the company and its business plan. The financials claimed Mamtek had $7.2 million in cash or cash equivalents as of June 2010, yet there was no additional evidence to substantiate this claim. See *Exhibit I.* The letters of interest appeared to the committee to be little more than corporate form documents.

18. According to BusinessWeek, Mamtek CEO Bruce Cole had substantial personal financial problems at the time he was asking Moberly and the State of Missouri for significant benefits:

> It has since become clear that when Cole was pitching his project, in the spring of 2010, he was facing tremendous personal financial problems. Ely Malkin, a Mamtek International investor who was not involved in its U.S. venture, had taken him to court over an unpaid loan of $250,000. American Express had filed a lien against him for an unpaid bill of nearly $135,000 on his by-invitation-only Centurion Card. And he had defaulted on the $3.7 million mortgage on his home in Beverly Hills.
>
> See *Exhibit F.*

19. On June 3, 2010, Corey Mehaffy e-mailed DED to relay information he claimed was from Michael Wise on Mamtek's alleged China plant. Wise is an attorney with the international law firm of Perkins Coie who represented Mamtek. Mehaffy wrote, in pertinent part:

> Wise is the Patent attorney for Mamtek and has been to the plant in China on two separate occasions to verify information for Mamtek investors. On his first visit, Mr. Wise was able to observe the operation of an 18 ton production line in the plant that has been operational for several years. This line was established as a pilot following the development of the IP as the first step into full production and has been supplying Sucralose to a tea company that is co-located on

site. In a second visit in November of 2009, Mr Wise was able to observe a new 60 ton production line in operation.

Mr. Wise has done an independent evaluation of the production line and product for comparison with the patent documents that were filed on behalf of the company indicating a match. He has also compared the Mamtek IP to that of Tate and Lyle verifying it to be superior to the production of Tate and Lyle. Mr. Wise verified the process for production with the inventor first and then again independently with the plant engineer. Both processes were a match to each other as well as to the patent agreements.

Mr. Wise is also in possession of a 'cookbook' and an actual tested sample of the Sucralose in his Shanghai office and has requested that both items be sent to the US for our independent analysis. Mr. Wise is also in possession of pictures of the equipment and process which he will forward for our review.

See *Exhibit J.*

20. On June 7, 2010, DED's Director of Business and Community Services Division Sallie Hemenway approved the Department's recommendation to forward Mamtek's application for BUILD bonds for review and approval by the Missouri Development Finance Board. See *Exhibit L.*

21. On June 15, 2010, Yan Li sent a follow-up e-mail to Lynne Shea requesting an update on the project and inquiring if there was "anything else" they could do to research the company. On June 22, 2010, Shea responded to Yan Li, "Not at this time. The City of Moberly has done research on the China facility." See *Exhibit M.* At the time of this email, the Department was aware of the involvement of Tom Cunningham, Michael Wise, Morgan Keegan, Armstrong Teasdale, and Pellegrino & Associates, and that a rating agency would eventually review the bond offering.

22. On July 15, 2010, Sallie Hemenway updated Director Kerr on the status of the Department's allocation of Recovery Zone FACILITY Bonds. Hemenway's e-mail included an attachment with recommendations on the projects she believed DED should approve for tax-exempt allocation. She wrote that allocations were reviewed by criteria of jobs, capital investment, and ability to close. Her attachment lists the Mamtek project first, with a recommended allocation of $28 million. See *Exhibit N.*

23. Hemenway testified in the committee that DED had the discretion to refuse to allocate bonds and had done so on previous occasions. *Testimony of Sally Hemenway 1:02:00.*

24. On July 19, 2010, Hemenway sent Corey Mehaffy an e-mail and letter, with a copy to Director Kerr, informing Mehaffy that the Department had, in response to Moberly's request, chosen to increase their allocation from $5 million to $28 million in tax-exempt status for the Moberly IDA's issuance of the Mamtek bonds. See *Exhibit O.*

25. On July 22, 2010, Michael Wise summarized his activity in China in a letter to Tom Cunningham, counsel for Moberly. Wise wrote:

I write to summarize my actions in preparing and submitting documents for escrow as identified in the Escrow Trust Agreement: Schedule 1 ("Schedule 1").

In the summer of 2009, I was asked by Bruce Cole, CEO of Mamtek, to visit Mamtek's operating facilities related to the production of sucralose located in Wuyishan, China. I was tasked with attempting to collect materials sufficient to operate and/or reproduce the facility in the event the facility was damaged or the operating materials were lost or destroyed. In this regard, I was provided with a copy of the blueprints identified in Section 8 of Schedule 1. My former partner Zoe Wang and I personally visited the facility and interviewed a Mamtek engineer and an inventor, Mr. Zhenghao Wan, over the course of two days. The engineer and Mr. Wan verified to me that the 60 ton sucralose line as constructed was substantially in accordance with those blueprints and that the processes used in the 60 ton sucralose line were substantially in accordance with the processes reflected in the patent applications filed by Perkins Coie on Mamtek's behalf. I note that there are some deviations between the blueprints and my notes, but have no reason to believe those deviations are significant.

At all times during my review, I have relied on the representations by Mamtek, including Mamtek's representations that the documents provided in Schedule 1 include the following:

- Step-by-step instructions for the production and manufacture of sucralose using the Company's proprietary methods and production line as implemented in Mamtek's Wuyishan facilities;

- Blueprints for assembling said sucralose production line;

- Equipment manufacturer names and various component information used in the assembly of said sucralose production line....

In assembling the above-information, I have at all times relied upon the representations of Mamtek and have not independently verified the accuracy of the information contained herein or in the materials identified in Schedule 1. I have not undertaken, nor was I obligated or expected to undertake, an independent investigation to determine the accuracy of the facts or other information, and any inquiry undertaken by me during the preparation of this letter or compilation of the materials identified in Schedule 1 should not be regarded as such an investigation.

See *Exhibit P.*

26. In testimony before the committee, Wise said his representation of Mamtek was limited to patent filings and updates. In that role, Wise testified he visited Mamtek's China plant in 2007, November 2009, and again in the fall of 2010. In 2007, Wise noted the presence of a16-ton production line. In November 2009, he noted the presence of a larger production line, but was not there long enough to see production from beginning to end, and did not inquire as to Mamtek's operations for packaging, transport, or sale. Wise said Mamtek was nearing but had not reached "commercialization" by November 2009. Wise further testified that he became aware of problems Mamtek had with Chinese government officials that would have led to the shutdown of the larger production line sometime "before closing" of the Mamtek bonds. There is no evidence that Wise informed any other person or governmental entity of his knowledge of Mamtek's China problem.

27. In preparing the Official Statement for the bonds, employees of Morgan Keegan testified that:

    a. They devoted their time and resources solely to assessing Moberly's ability to pay back the bond. Morgan Keegan's only concern with Mamtek was to request information from the company.

b. Though information was scarce, Morgan Keegan was not alarmed because Mamtek was a 'start-up' company.

c. Mamtek could never have received financing for this project on its own. *Testimony of Morgan Keegan* at 24:10.

d. They were never made aware of the Edward Li e-mail, but would have deemed it important. *Testimony of Morgan Keegan* at 7:40.

e. That they relied on and expected that the City of Moberly had done enough due diligence with regards to Mamtek. *Testimony of Morgan Keegan* at 23:20.

28. Armstrong Teasdale employees explained:

a. That their firm's role in the bond issuance was to prepare documents for the transaction that create the structure of the bond and describe the rights and obligations of each party. *Testimony of Armstrong Teasdale* at 4:10.

b. That AT was tasked with preparing the Official Statement for these bond offerings. *Testimony of Armstrong Teasdale* at 3:12.

c. As with Morgan Keegan, Armstrong Teasdale's employees testified that their firm was not legally concerned with Mamtek's stability. Instead, their only concern was the credit-worthiness of the City of Moberly. *Testimony of Armstrong Teasdale* at 7:00.

29. The testimony of both Morgan Keegan and Armstrong Teasdale directly contradict the Memo sent by Mark Boatman detailed in ¶16 and *Exhibit U*. Based on *Exhibit U*, it was reasonable for Moberly officials to believe Morgan Keegan and Armstrong Teasdale would conduct due diligence on Mamtek's "organization, operations, and financial condition."

30. Moberly hired the independent valuation firm Pellegrino & Associates through a competitive process to assess Mamtek's value. Mamtek official Reena Gordon asserted that the company had pre-construction assets of approximately $100 million. See *Exhibit Q*. Moberly claims Pellegrino concluded Mamtek's value was in excess of $50 million. The committee has no reason to dispute this assertion but was not provided with the actual report issued by Pellegrino.

31. Standard & Poor's rated the Mamtek bonds as A- based solely on the credit of Moberly. The committee finds that the process of rating a municipal appropriations bond solely on the credit of the city is standard-operating-procedure in the bond rating industry. In this case, Standard & Poor's testified that Moberly had municipal revenues of approximately $7 million and had been forced to dip into reserves the previous two budget cycles. Despite the city's deficit spending in the two years prior to bond issuance, Standard & Poor's testified Mamtek's viability was not important for the bond rating. The committee finds this practice shocking. A municipality should not get an investor-grade rating to loan a start-up company with little-to-no hard assets for nearly five-and-a-half times as much money as the city's annual budget when the city is already running at a deficit. If the underlying company failed, a city in Moberly's position could never pay back the bond. Hence, despite the business-as-usual approach of Standard & Poor's and their ratings cohorts, the underlying project in municipal appropriations bonds is relevant and should be investigated in making a rating on such bonds.

32. Throughout the process, Mamtek claimed urgency because it had alleged pre-sale contracts which had to be met. The committee has not been provided with any evidence of the actual existence of these pre-sale contracts. However, even when the project did not move as swiftly as originally discussed, there is no evidence of follow-up by either DED or Moberly regarding the effect of delay on the claimed pre-sale contracts.

33. The Department received inquiries from both U.S. Congressman Blaine Luetkemeyer and State Senator Kurt Schaefer regarding concerns they had with the progress and ultimate viability of the project. Those inquiries were not thoroughly investigated, but both the Department and Moberly responded with re-assurance.

34. Corey Mehaffy testified that after the project failed, Moberly initially received little to no help from DED on finding a new company to take over the project or plant. However, since at least early December, the Department and Moberly have worked together to find solutions.

'Due Diligence' of the Department of Economic Development

35. For purposes of DED, the committee defines 'due diligence' as "the act of acquiring independent verification of material claims made by applicants for Missouri tax incentives, whether those claims are implied or expressly made."

36. Director Kerr testified that DED conducted appropriate due diligence on the Mamtek project, arguing that the Department conducted its own research and also relied in part on the experts hired by the City of Moberly and on others in conjunction with the project.

37. Despite Kerr's testimony, a series of questions regarding the details of DED's due diligence process revealed the department had not conducted significant due diligence. Kerr was asked about each of seven claims of due diligence made by DED employees (in bold type) in response to a press inquiry in September 2010. See *Exhibit R.* On those points, Kerr responded as follows.

    a. **Arranged and provided for two meetings to meet the company and their representatives. Numerous conference calls with the representatives were also held to answer questions with regard to the project.** – On examination, Kerr admitted that these procedures were ordinary business practices but are not ordinarily considered "due diligence." *Testimony of David Kerr*, 0:53:00.

    b. **Performed Internet search on the company and their representatives. Shareholders/owners were not known at that time.** – With regard to Internet searches on the company, only two were known and presented to the committee. The first was detailed by Edward Li, the results of which were detailed in I. The second known Internet search was conducted pursuant to Mamtek's BUILD application, in which Greg Havener, an employee under a different division of the Department indicated there was not much information on the company on Google, noting, 'Oh well, I guess it's going to be a thin report.' *Exhibit S.* If there were additional web searches that resulted in positive results for Mamtek, the committee was not made aware of them, and so assumes that no such searches actually took place. *Testimony of David Kerr, 0:54:50.*

    c. **Background search performed by our International office in China on the company and its operation.** – Information contained in *Exhibit M* and detailed in ¶6, ¶7, and ¶12 was derived from

the Department's research from the China office. Such research was never shared directly with any other stakeholder in the Mamtek project. Director Kerr and General Counsel for the Department repeatedly claimed that other stakeholders had been made 'aware' of the research but that it had never shared the Edward Li e-mail or its attachments with anyone directly. *Testimony of David Kerr, 0:45:00 and 0:55:50.* The committee finds the research performed by Edward Li, DED's consultant in China, should have slowed the project, but also that the Department was made aware of eyewitness accounts by Michael Wise and Bruce Cole which contradicted the information in Edward Li's email. The committee notes that Wise and Cole were both agents of Mamtek.

d. **Business plan requested and received in parcels.** – On examination, Kerr established that the Department did receive and review business plans, as well as a sucralose market study, letters of intent from potential customers, and documents relating to intellectual property and operations. However, because the Department does not have its own business valuation team, it is also not qualified to conduct a thorough review of such plans. *Testimony of David Kerr, 0:56:50.* By making this finding, the committee neither suggests nor implies that the Department should create a business valuation unit.

e. **Financial statements requested and received.** – On examination, Kerr conceded that the only financial statements it received from Mamtek were those of June 3, 2010 in which the company claimed to have $7.2 million in cash and cash equivalents as of June 2010 but never provided any independent proof of such a claim. *Testimony of David Kerr, 0:57:45.*

f. **Assistance provided for financing. Arranged meetings with USDA.** – The committee believes that providing assistance for financing and arranging meetings is not normally considered 'due diligence.'

g. **Proposal based on company's projections. Company was notified that Missouri assistance is performance based on jobs and investment. No awards have been made.** – On examination, Kerr testified that Missouri taxpayers were protected because the state tax benefits are designed so that benefits are not finally awarded until jobs are actually created. Kerr's testimony on this point ignored DED's discretionary decision to allocate $28 million in tax-exempt bonding authority to the City of Moberly for the Mamtek project. Further, it ignores the testimony of Sallie Hemenway, who admitted that the Department had discretion to refuse to make an allocation, and had, in fact, refused an allocation before based on the ability of a project "to close." *Testimony of David Kerr, 0:15:47 and 8:07.*

38. **Other Due Diligence Performed** – Director Kerr claimed the information presented in the Fougere e-mail only represented "part of due diligence that was done." In particular, it was only the due diligence "done by the project manager." *Testimony of David Kerr*, 51:20. In addition to the actions explained in ¶37 and elsewhere in this report, the committee notes the Department also:

    a. Reviewed a Dunn & Bradstreet credit report on the company, which is attached as *Exhibit T.* That report indicated Mamtek had an aggressive credit risk of $7,500;

    b. Reviewed a Manta profile of the company; and

    c. Verified all statutory eligibility requirements for the incentives applied for, including: verifying business registration with the Secretary of State; verifying the company had no delinquent taxes in

the state of Missouri; reviewed Department database to ensure no past compliance issues with DED; and verified Mamtek's NAICS code made it eligible for the incentives for which it applied.

39. **Mamtek's Sworn Statements** – In addition to the above, the committee also notes that the Department obtained the following certifications under penalty of perjury. The committee finds that such certifications do not qualify as 'due diligence,' as defined in ¶35, because they do not involve independent verification of any claims made by Mamtek. Nevertheless, the committee agrees with the Department that requiring sworn statements is an important tool to ensure applicants make full and honest disclosures in applications for benefits, and allows for the imposition of criminal and civil penalties in the event of misrepresentation. Mamtek certified the following under penalty of perjury:

    a. Information provided to DED is true and correct, and is consistent with documents provided to lenders, other governmental entities or investors, including but not limited to applications for BUILD, Quality Jobs Act, Recovery Zone Facility Bond, and a CDBG Industrial Infrastructure Grant.

    b. No owner or manager has committed a felony, is presently under indictment, or is on parole or probation;

    c. There are no pending or threatened liens, judgments, or material litigation which is likely to affect the viability of the company as an ongoing concern;

    d. The company and identified owners and manager do not have any delinquent non-protested taxes;

    e. The requested funding would not violate any existing agreement;

    f. The company and identified owners and managers have not filed (nor are about to file) for bankruptcy;

    g. The company and identified owners and managers have not failed to fulfill any obligations under any other state or federal program;

    h. The signatory is authorized to make the certifications therein;

    i. Certifications under Chapter 285 regarding employment of unauthorized workers.

40. **DED's Reliance on Third Parties** – Director Kerr noted several times in his testimony that the Department also relied on third-party professionals engaged in the bonding process to perform due diligence. Sallie Hemenway testified she believed the third-party professionals should have evaluated Mamtek and not just the credit rating of the City of Moberly. There was no evidence presented to the Committee that any stakeholder besides DED, however, had been provided the e-mail and attachments from Edward Li directly about a failed municipal finance deal between Mamtek and Wuyishan City, Fujian Province.

41. **Back-End Protections** – The committee recognizes that Quality Jobs Act incentives are not redeemed until an applicant actually employs new employees. In this case, Mamtek never received Quality Jobs benefits. The committee also finds that Mamtek did receive local benefits at least partly as a result of its contact through DED.

CONCLUSIONS AND RECOMMENDATIONS

1. **Information Sharing** – Despite the committee's conclusion that DED did not conduct adequate due diligence on Mamtek, the Department still had enough information in its possession to prevent allocation of bonds and authorization of tax credits. Despite the Department's assertions, the research by Edward Li was timely and well-sourced. Among the Chinese documents provided to the committee was an apparent report from a Chinese government entity dated December 15, 2009 with the details of Mamtek's failed agreement with Wuyishian City, Fujian Province, China. The details of the financing of the failed China factory are remarkably similar to the requests Mamtek made to and eventually received from Moberly. Unfortunately, though the Department communicated some concerns, it failed to share the actual e-mail and its attachments with anyone outside the Department. Had the Department shared those e-mails, it is likely that the bonds would never have been issued and this catastrophe would have been averted.

   As a result, the committee recommends the General Assembly consider legislation which would require the Department to share, as either a facsimile of the original source or as close a reproduction as possible, all information it has about any company seeking both state and local economic development incentives with all local governments and economic development officials competing for the company's business. Such legislation should include a reciprocal requirement that local governments and economic development officials working with a company seeking both state and local economic development incentives must share with DED, in writing, all negative information received about a company.

2. **Department Culture** – The committee believes the Department and local economic development officials around the state should emphasize and develop a "duty to dissent" to its employees to overcome the incentives to push proposals as quickly as possible to completion. Put simply, 'the duty to dissent' is a mindset empowering employees to speak up, in writing, any time they have significant doubts about a project's viability. To be effective, a culture which encourages a duty to dissent must protect employees who share such concerns.

3. **Due Diligence** – The committee concludes the Department did not conduct adequate due diligence on Mamtek. With the benefit of hindsight, the committee finds that the Department should, at least:

   a. Require applicants to provide third-party verification of financial information when such information is submitted to the Department. In this case, Mamtek never provided proof that it had $7.2 million in cash or cash equivalents as of June 2010, and the Department never asked it to do so.

   b. Require applicants claiming the existence of pre-sold contracts to provide the Department with contact information from pre-sold vendors to allow the Department to verify the existence of such contracts.

   c. Require key officers of start-up companies to pay fees for the conduct of basic criminal and personal financial background checks.

   The committee does not agree with the Department's assertions that additional due diligence procedures will cause Missouri to be seen as 'not business-friendly.' The verification of basic factual assertions of tax credit applicants and conduct of simple background checks should not give pause to any serious company requesting millions of dollars in taxpayer benefits. The committee recommends the General Assembly consider legislation codifying these and other potential due diligence requirements – any of which likely would have ensured the Mamtek fiasco never happened.

4. **Duties of Third-Party Professionals** – The committee found the testimony of third-party professionals engaged in the Mamtek-Moberly bond process less than credible. Not a single third-party professional took responsibility for the failure to properly investigate Mamtek's claims. Instead, the committee was told it was common industry practice not to look into the viability of the underlying project in a municipal bond offering, and that Moberly's credit rating was all that mattered.

   With the admitted benefit of hindsight, the committee disagrees. It is obvious from reviewing Moberly's annual budget that the ultimate success of these bonds hinged on the success of Mamtek – not the city's willingness to pay the bonds in the event of Mamtek's failure. To put it more simply, if Mamtek failed, no reasonable person could have believed that Moberly would have been able to pay off the bonds. Unfortunately, rather than conduct due diligence in regards to Mamtek itself, the third-party professionals merely parroted what the company claimed about itself – which ultimately misled investors into believing Mamtek had credible and experienced leadership, stable financing, a history of manufacturing in China, and an environmentally friendly manufacturing process.

   The committee believes that third-party professionals should have a duty to investigate more than just the credit rating of a small local government in these offerings. Indeed, third-party professionals involved in municipal or local bond offerings should have a professional duty to investigate the viability of the underlying project – and to include such a report in the Official Statement.

   The committee recommends the General Assembly consider legislation (1) codifying the duty of third-party professionals in the municipal bond process to investigate the viability of the underlying project; and/or (2) requiring insurance for municipal bond projects.

5. **Conflict of Interest** – The committee heard testimony from Mark Boatman of Armstrong Teasdale, who represented the bond underwriter Morgan Keegan on the Mamtek-Moberly bonds. The committee also notes that *Exhibit B* was authored by Edward Li, an Armstrong Teasdale employee and Department consultant in China. The committee notes that Boatman testified he had no knowledge of Li's e-mail or even Li's existence as a contractor for DED. The committee finds Boatman's testimony credible on this point. Even still, the committee believes this situation creates an appearance of impropriety which has no place in DED. Where the Department has a responsibility contracted out to a private entity, that private entity should not later represent any third-party it had contact with or investigated through its contract with the State of Missouri in proceedings before the Department or any other legal or public policy matter in Missouri.

   The committee recommends the General Assembly consider legislation requiring the Department to include language in every request for proposal for consulting duties in a foreign country that requires the winning bidder to refrain from representing companies from the country of the contract in either proceedings before or negotiations with the Department or for any other public policy purpose in Missouri. This legislative requirement for Department contracts should provide exemptions for pre-existing relationships between the contractor and companies in the country of the contract.

6. **Provision for Due Diligence Travel in DED Contracts and Willingness to Expend Other Funds in the Alternative** – Director Kerr testified that the Department's contracts for representation in foreign countries, including China, do not include provisions allowing the recovery of travel costs if necessary. In this case, Representative Silvey found via Internet search that a plane ticket from Edward Li's office in China to Wuyishian City cost approximately $34. Despite this low cost, the Director insisted the Department could not have paid for the flight. The committee disputes this assertion. As proof of the Department's budget flexibility with regards to travel, it points to the use of Department funds for gubernatorial travel. The committee recommends the Department include provisions in its foreign contracts which, at the pre-authorized direction of the Department, allow contractors to recover travel costs necessary for due diligence

purposes. In the alternative, the committee recommends the Department exercise the same budget flexibility it uses to expense gubernatorial travel in order to follow-up on negative due diligence reports in foreign countries for applicants for significant local and state tax benefits.

7. **DED Should Make Moberly a Top Priority** – The committee believes, given the Department's failure to inform Moberly of the full extent of the concerns it had with Mamtek's China operation, that the Department should make it a top priority to secure a suitable replacement to take over the Mamtek facility. To further this effort, the Committee recommends the General Assembly consider legislation providing added incentives for any company that takes over any sucralose factory borne of a failed bond issue.

8. **Clear Disclosures from DED to Local Communities** – The committee believes that the initial e-mails regarding requests for proposals for the Mamtek project were misleading to local communities. For example, Lynne Shea's initial e-mail stated, "We still have some due diligence to complete but do deem this a legitimate project." This statement would lead the reader to believe the Department conducts significant due diligence in regards to programs such as the Quality Jobs Act. As the committee heard from Director Kerr, however, the Department's ultimate due diligence check is that benefits are not awarded until jobs are created. To avoid potential confusion in the future, the Department should either (1) make clear disclosures to local communities about the specific due diligence processes it will undertake in regards to any particular project, including those efforts it has already made; or (2) conduct actual thorough due diligence before sending out requests for proposals to local governments. In addition, the Department should develop clear statements of responsibility, including but not limited to checklists, outlining responsibilities for cooperation on economic development proposals with local government. Finally, as with communications of adverse information, local economic development officials and third-party professionals should clearly communicate their particular due diligence actions to each other and the Department.

9. **Speed and Lack of Public Notice Are Enemies of Due Diligence** – The Mamtek bond issue moved remarkably fast – and with little public input. The City of Moberly relied on third-party professionals to both conduct due diligence and verify that their actions in issuing the bond were legal. The committee believes that it was reasonable for Moberly officials to rely on third-party professionals and DED, but that neither the third-party professionals nor DED conducted adequate due diligence. The committee questions whether it is possible for adequate due diligence to be performed in the short time-frame in which this deal closed. As a result, the committee recommends the General Assembly consider legislation that would (1) adopt time standards before a municipality or local government could issue a bond similar to that issued regarding Mamtek; (2) amend Missouri's Sunshine Law to require longer periods of public notice before public bodies vote on bond issuances similar to the Mamtek bond; and/or (3) give the public a direct say in bond offerings by banning municipal bond offerings that take place without an election.

Exhibit A

From: Shea, Lynne
Sent: Friday, March 19, 2010 11:21 AM
Subject: FW: Proposal Request

I am working a project with Terry Maglich and wanted you to be aware of the opportunity. This is a foreign owned business that is new to the US. They will producing a sugar substitute in the United States. We are still have some due diligence to complete but do deem this a legitimate project. The project parameters are as follows:

- $20 million in m/e
- Building/land needs: 60,000 sq foot w/ the option to expand to 85,000. Ceiling height is 35 ft for 80% of the building and 6 acres. Building and acreage investment depends on community's package. Company would consider both lease/purchase of the building.
- Due to the high ceiling heights requirement this would more than likely be a Greenfield project.
- 161 new jobs w/ benefits
- $35K average wage
- Startup company will likely be seeking operating capital
- The consultant is currently looking at USDA loans as a financing source
- They would like to be in a rural community with good access to highways
- We should know the utility needs first of next week 3/22/10
- The consultant is looking at being in MO the first week of April to look at sites.
- **Need proposal back by 3/26**
- Please feel free to call me with any questions.

Lynne Shea
Project Manager
Missouri Department of Economic Development
301 E. High Street, Room 720
PO Box 118
Jefferson City, MO 65101
lynne.shea@ded.mo.gov
(573)751-5798 desk
(573) 751-7384 fax
(573) 694-2085 cell

Exhibit B

From:	LI, Yan
Sent:	Thursday, April 08, 2010 2:36 PM
To:	Edward LI
Cc:	Desloge, Maria
Subject:	FW: Follow Up on Concepts for Mamtek to Locate in Missouri
Attachments:	Short PROJECT INFORMATION OVERVIEW.docx

Hi, Edward,
Lynne is the project manager in our sales team. You will meet her when you come. She wants us to do a background check on this Chinese company. They are talking about setting up a manufacture facility in US, possibly in MO, but we cannot get any of their finance background. Let us know whatever you can dig out on this company. Thank you.
Yan

From: Shea, Lynne
Sent: Thursday, April 08, 2010 10:35 AM
To: Li, Yan
Subject: FW: Follow Up on Concepts for Mamtek to Locate in Missouri

The attachment has the company information.
Lynne

From: Thomas Smith [mailto:tom@cb-da.com]
Sent: Tuesday, April 06, 2010 6:09 AM
To: Shea, Lynne
Cc: Bob Holden
Subject: Follow Up on Concepts for Mamtek to Locate in Missouri

Lynne,

I sincerely appreciate you following up with me, I know its tedious. This email follows up on our conversation yesterday. I would like to narrow our focus to capture additional information from Mexico, Moberly, Sedalia and Odessa.

As we discussed last week, the Mamtek opportunity has evolved in a positive way. I am hoping you can help me move the Mamtek site selection to the next level by providing information that is important to building site specific pro forma financials. If possible, I'm hoping we can get a letter (this week) from you with answers to the questions below, which will be used by Mamtek's principals to make the site selection.

We need to revisit the site size and look for a location of approximately 25 acres. I've attached a short project overview which focuses on Phase 1 of the project, which is similar to what we have previously discussed, but lays out the future requirements for growth. Mamtek is committed to building the initial 85,000 square foot facility as quickly as possible, and would like to provide for rapid expansion, driven by pre-sold product demand.

Mamtek is focused upon quickly developing a financing scenario tailored to specific locations. They will develop pro forma financial statements and a business plan tailored to the proposed location. I'm hoping you can help me put together a specific scenario that Mamtek can use to generate these financial documents.

SITE SELECTION: The following background lead to increasing the planned size of the planned site. Mamtek has pre-sold virtually the entire production of the proposed U.S. facility. As a result, they are considering a second phase to be constructed 12-18 months following completion of the current effort. Mamtek predicts a total requirement for 22 production lines to support U.S. production. This could require the construction of five of the 85,000 square foot structures over the next 5-7 years. Consistent with the potential growth in production, similar growth of employment from 161 to as many as 700-750 could occur. The second phase would add 150 employees to the initial staff.

PROJECT FINANCING: The total Phase 1 project will be approximately $35,000,000. The project cost estimate does not include costs associated with major improvements to access the site. The owners will provide the capital for anything in excess of $25,000,000. The owners will have more than 20% of tangible and/or liquid investment in the project. The owners would prefer to own the facility, but will consider leasing it from the City if that generates advantages to financing the project. They would like to pursue financing in the following manner:

1. **Community Development Block Grant** – Hopefully the use of CBDG funds will be used to improve access to the proposed site and bring utilities to the location as well. Please indicate the amount of CBDG funding for which the project is qualified. The actual amount of the CBDG funding will be tailored to the project by the City.

2. **Other Grant or Funding Programs** - Please indicate any grant or other funding programs which could reduce the amount of any loan requirement. Tax abatements may not be relevant, as they are paid "in arrears" and are best used to improve cash flow over time. Local or state managed grants or incentives that reduce the amount of loans are extremely desirable. Please indicate any relevant programs and estimates of amount or formulas used to determine funding levels.

3. **Business & Industry (B&I) Guaranteed Loan Program** – Mamtek would like to pursue a USDA guaranteed B&I loan of $25,000,000. They would like to submit a preapplication with financials and an executive version of the business plan approximately 26 April. If approved, Mamtek will focus on USDA funding as a source of financing. Please indicate "subject to appropriate financial information and loan application documents" banks that would consider participating in the loan pursuit and the general terms of such a loan (term of loan, projected interest rate, points, closing costs, etc.). The intent is to identify who Mamtek should work with to develop the USDA pre-application.

If the USDA loan is not available:

4. **Industrial Revenue Bond** – In the event that USDA backed loans are not available, Mamtek would like to pursue an Industrial Revenue Bond, or similar financing instrument. Please indicate "subject to appropriate financial information and loan application documents" the City's willingness to support such a bond and the general terms of such a loan (projected interest rate, points, closing costs, etc.). The intent is to begin putting together supporting information as a backup strategy to the USDA loan.

5. Other Questions Related to Building Pro Forma Financials -

LAND: If Mamtek needs to build a total of 425,000 square feet of production space (over the next 5-7 years) it seems like a minimum of 20 acres of ground is needed for a Greenfield project. The initial project will be the 85,000 building, and subsequent phases would expand the original building.

- In this scenario is 20 acres adequate for zoning?
- Is extending the original building for each subsequent phase acceptable?
- At 20 acres, what would "average" land values be?

• What costs are proposed for land for this project?

BUILDING PERMIT: Assuming construction costs and permanently installed equipment are approximately $27,000,000, of which "hard" construction costs could be $6-8,000,000:
• What would the cost of a building permit be (is there a formula for calculation)?
• What are the costs associated with other potential permits (electrical, plumbing, HVAC, etc.)
• Are there any "standard" charges for connection to water or sewer?

GENERAL CONTRACTOR: Mamtek would like to use a local general contractor to construct the building, site improvements and facilitate installation of this equipment (Mamtek will provide subcontractor contact information for equipment acquisition and installation).
• Can you recommend local General Contractors capable of executing the project?

UTILITIES: For the purposes of budgeting can you provide costs for standard utilities:
• Average cost per kilowatt hour:
• Average cost/formula for water usage:
• Average cost/formula for wastewater:
• Average cost/formula for natural gas:
• Average cost/formula for trash removal (non-hazardous waste)

Again, thank you for your assistance in putting together this information. Your letter will be used by Mamtek to focus their site selection efforts. If it's possible to get the letter this week I really appreciate it.

Thanks!

Tom
--

Thomas A. Smith
Capital Business Development Associates

thomas.smith@cb-da.com
AKO: thomas.a.smith@us.army.mil
(C) 703.980.0332
www.cb-da.com

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PROJECT INFORMATION – Mamtek International, Ltd.

Date: 5 Apr 2010

Company: Mamtek International, Limited Website: http://www.mamtek.com/index.php/Sucralose.html

DUNS: 961747677 Chinese bank: Mensheng Bank Exiting Production Facility: Fujian Province.

Contact Name: Thomas A. Smith E-Mail Address: Thomas.smith@cb-da.com

Address: 6411 Casperson Road City: Alexandria State: VA Zip Code: 22315

Contact's Telephone: (703) 980-0332 Fax: (703) 922-6963

Parent Company: Mamtek International, Limited

US Ownership

Parent Company Address: 3040 Motor Avenue City: Los Angeles State: CA Zip Code: 90064

Industry Type: Manufacturing

Company Description: Mamtek International is a manufacturer and marketer of authentic sucralose: a healthy, environmentally-sound, no-calorie, no-carb high-intensity sweetener. Sucralose is a very low-cost alternative to sugar and approved by the US Food and Drug Administration as well hundreds of other countries worldwide.

PROJECT LOCATION:

Will consider any location statewide.. Ability to obtain financing and incentives will drive site selection

IF New Building Sq. Ft: 85,000, with minimum of 60,000 sqft having 35' or greater ceiling height
IF Existing Building Sq. Ft.: 85,000, with minimum of 60,000 sqft having 35' or greater ceiling height

Power: 440 – anticipate using 5000 kwh per month Water: No unusual requirements (not used in process)

Prefer to own the facility or enter into long-term lease with municipality or bonding authority

Land Acres: Assuming 85,000 sqft building requires 3 acres, no less than 15 acres and no more than 25

Estimated Decision Date: 1 May 2010 Estimated Commencement Date: 1 Jul 2010

PROJECT TYPE

New United States Location

INVESTMENT

Project total of 22 production lines (built in 5 line increments with dedicated 85,000 sqft bldg) Build/growth decision based upon presold product demand.

New Investment: Year 1: $ 35,000,000 Year 2: $ 25,000,000 based upon sales growth
Year 3: $25,000,000 based upon sales growth Year 4: $ 25,000,000 based upon sales growth
Year 5: $ 25,000,000 based upon sales growth

Total: $ 135,000,000

Purchase of Real Estate: $ 150,000 Construction: $9,350,000

Purchase of M & E: $ 18,000,000

Planning to use reputable local commercial General Contractor to execute Design Build construction

JOBS

New Full Time Jobs: Year 1: 165 Year 2: 150* Year 3: 150* Year 4: 150* Year 5: 150*
Total: 765* *Build/growth decision based upon presold product demand.

New Part Time Jobs: Year 1: 0 Year 2: 0 Year 3: 0 Total: 0
Average Starting Wage: Base salary of $35,000 and total loaded compensation equal to $45,150
12 supervisory employees will earn base salaries of $45,000 – $70,000. These jobs are "green", high-tech driven and long-term as they are embedded in an industry of tremendous current demand and ongoing growth.

Existing Number of Employees: 0 Existing Employees Avg. Wage: N/A

Percentage of Employees Health Care Benefits Provided: 100%

Occupation Title: General Manager # of New Jobs: 1
Occupation Title: Deputy General Manager # of New Jobs: 1
Occupation Title: Human Resources Manager # of New Jobs: 1
Occupation Title: Production Supervisor # of New Jobs: 3
Occupation Title: Technical Overseer # of New Jobs: 6
Occupation Title: Secretary # of New Jobs: 1
Occupation Title: Bookkeeper # of New Jobs: 2
Occupation Title: Production Worker # of New Jobs: 120
Occupation Title: Warehouseman # of New Jobs: 6
Occupation Title: Technical Specialist # of New Jobs: 6
Occupation Title: QA/QC # of New Jobs: 3
Occupation Title: Security Guard # of New Jobs: 3
Occupation Title: Receptionist # of New Jobs: 3
Occupation Title: Janitor # of New Jobs: 3
Occupation Title: Laborer # of New Jobs: 3

TRAINING

Expected Hiring or Training Schedule:

Oct 1 - Hire Management – 45-60 days of orientation, process training, regulatory training
Oct 15 – Hire 34% of staff – 45 days of orientation, process training
Nov 1 – Hire remaining staff – 30-45 days of orientation, process training

Areas of Instruction:

- Concepts of Sucrose manufacturing
- Production line processes
- Workplace safety
- Equal opportunity
- Specific equipment cold, start, warm start processes
- Specific equipment shut down procedures
- Equipment safety
- Maintaining food quality cleanliness
- Packaging
- Shipping
- Quality Assurance
- Quality Control
- Material handling, licensing as required
- Material storage
- Packaging, preservation
- Shipping/transportation
- Inventory control
- Production management
- Human resources management
- Logistics management
- Information technology, application training
- OSHA compliance
- Operations management
- Communications systems
- Physical security, alarms, detection
- Develop position descriptions and performance standards
- Maintenance Planning
- Maintenance standards and inspection
- Repair parts management

OTHER SYNERGIES:

INGREDIENTS: Local Purchase of Sucrose Ingredient Chemicals: Mamtek would like to buy its ingredients from local, and/or Midwestern companies.

Manufacturing process ingredients	per month	per year
Sugar	25000	300,000 kg per year
DMF(Dimethylformamide)	38000	456,000 kg per year
Methanol	16000	192,000 kg per year
Hydrochloric Acid	8000	96,000 kg per year
Ethyl acetate	40000	480,000 kg per year
Alkali	27000	324,000 kg per year
Triphosgene	60000	720,000 kg per year
Sodium chloride	7500	90,000 kg per year
Aether	4000	48,000 kg per year

TRANSPORTATION: Mamtek will transport its production throughout the United States, Mexico, Canada and to West Coast ports via long-haul truck. Mamtek would like to establish local relationships to support this trucking.

Exhibit C

From:	Edward Li <edward.li@missourichina.com>
Sent:	Tuesday, April 13, 2010 5:13 AM
To:	Li, Yan
Cc:	Desloge, Maria; Shea, Lynne
Subject:	RE: Follow Up on Concepts for Mamtek to Locate in Missouri
Attachments:	warning.htm
Importance:	High

Hi Yan,

According to the relevant info searching and some calling, we found that Mamtek is a originally a Hong Kong company, locates 183 Queens Road East 27/F, Hopewell Center, Hong Kong (CN).

The Board Chairman is Mr. BRUCE COLE
Vice Board Chairman, Legal Person: Mr. HO, David, Losan; (US). 何乐三
Vice Board Chairman, General Manager: Mr. WAN, Zhenghao; (CN). 万正豪

We found their plant in Fujian Province, China, never started to manufacture. In 2007, their investment project was approved by Wuyishan City, Fujian. As the initial agreement, local government build the factory and all facility for Mamtek, while Mamtek will rent the facility in the beginning and will finally purchase the facility. The planned investment capital is 20 million USD, which will be invested by three phases. In 2008, although most of the facility was built, Mamtek still didn't start manufacturing. One of the reasons is the protest from local conservation department, who insisted that the project is a kind of fine chemical industry, which should not be set in this zone. In 2009, Mamtek made the deal with local government and agreed to move out (they never started) and so far there is no other news about the new location in China.

I don't have time to translate all the attached information, please have a quick review and explain to Lynne if she has any questions.

Regards,

Edward Li

From: Li, Yan [mailto:yan.li@ded.mo.gov]
Sent: 2010年4月13日 2:28
To: Edward Li
Cc: Desloge, Maria; Shea, Lynne
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Edward,
Is there any way you can email me whatever you have digger out before you leave China? Lynne shall do the follow up. Yan

From: Edward Li [mailto:edward.li@missourichina.com]
Sent: Friday, April 09, 2010 7:01 AM
To: Li, Yan
Cc: Desloge, Maria
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Working on it.

It seems it's not a Chinese mainland company. Only one or more manufacture facilities are in China.

I'll try to dig out more.

Regards,

Edward Li

From: Li, Yan [mailto:yan.li@ded.mo.gov]
Sent: 2010年4月9日 3:36
To: Edward Li
Cc: Desloge, Maria
Subject: FW: Follow Up on Concepts for Mamtek to Locate in Missouri

Hi, Edward,
Lynne is the project manager in our sales team. You will meet her when you come. She wants us to do a background check on this Chinese company. They are talking about setting up a manufacture facility in US, possibly in MO, but we cannot get any of their finance background. Let us know whatever you can dig out on this company. Thank you.
Yan

From: Shea, Lynne
Sent: Thursday, April 08, 2010 10:35 AM
To: Li, Yan
Subject: FW: Follow Up on Concepts for Mamtek to Locate in Missouri

The attachment has the company information.
Lynne

From: Thomas Smith [mailto:tom@cb-da.com]
Sent: Tuesday, April 06, 2010 6:09 AM
To: Shea, Lynne
Cc: Bob Holden
Subject: Follow Up on Concepts for Mamtek to Locate in Missouri

Lynne,

I sincerely appreciate you following up with me, I know its tedious. This email follows up on our conversation yesterday. I would like to narrow our focus to capture additional information from Mexico, Moberly, Sedalia and Odessa.

As we discussed last week, the Mamtek opportunity has evolved in a positive way. I am hoping you can help me move the Mamtek site selection to the next level by providing information that is important to building site specific pro forma financials. If possible, I'm hoping we can get a letter (this week) from you with answers to the questions below, which will be used by Mamtek's principals to make the site selection.

We need to revisit the site size and look for a location of approximately 25 acres. I've attached a short project overview which focuses on Phase 1 of the project, which is similar to what we have previously discussed, but lays out the future requirements for growth. Mamtek is committed to building the initial 85,000 square foot facility as quickly as possible, and would like to provide for rapid expansion, driven by pre-sold product demand.

Mamtek is focused upon quickly developing a financing scenario tailored to specific locations. They will develop pro forma financial statements and a business plan tailored to the proposed location. I'm hoping you can help me put together a specific scenario that Mamtek can use to generate these financial documents.

SITE SELECTION: The following background lead to increasing the planned size of the planned site. Mamtek has pre-sold virtually the entire production of the proposed U.S. facility. As a result, they are considering a second phase to be constructed 12-18 months following completion of the current effort. Mamtek predicts a total requirement for 22 production lines to support U.S. production. This could require the construction of five of the 85,000 square foot structures over the next 5-7 years. Consistent with the potential growth in production, similar growth of employment from 161 to as many as 700-750 could occur. The second phase would add 150 employees to the initial staff.

PROJECT FINANCING: The total Phase 1 project will be approximately $35,000,000. The project cost estimate does not include costs associated with major improvements to access the site. The owners will provide the capital for anything in excess of $25,000,000. The owners will have more than 20% of tangible and/or liquid investment in the project. The owners would prefer to own the facility, but will consider leasing it from the City if that generates advantages to financing the project. They would like to pursue financing in the following manner:

1. **Community Development Block Grant** – Hopefully the use of CBDG funds will be used to improve access to the proposed site and bring utilities to the location as well. Please indicate the amount of CBDG funding for which the project is qualified. The actual amount of the CBDG funding will be tailored to the project by the City.

2. **Other Grant or Funding Programs** - Please indicate any grant or other funding programs which could reduce the amount of any loan requirement. Tax abatements may not be relevant, as they are paid "in arrears" and are best used to improve cash flow over time. Local or state managed grants or incentives that reduce the amount of loans are extremely desirable. Please indicate any relevant programs and estimates of amount or formulas used to determine funding levels.

3. **Business & Industry (B&I) Guaranteed Loan Program** – Mamtek would like to pursue a USDA guaranteed B&I loan of $25,000,000. They would like to submit a preapplication with financials and an executive version of the business plan approximately 26 April. If approved, Mamtek will focus on USDA

funding as a source of financing. Please indicate "subject to appropriate financial information and loan application documents" banks that would consider participating in the loan pursuit and the general terms of such a loan (term of loan, projected interest rate, points, closing costs, etc.). The intent is to identify who Mamtek should work with to develop the USDA pre-application.

If the USDA loan is not available:

4. **Industrial Revenue Bond** – In the event that USDA backed loans are not available, Mamtek would like to pursue an Industrial Revenue Bond, or similar financing instrument. Please indicate "subject to appropriate financial information and loan application documents" the City's willingness to support such a bond and the general terms of such a loan (projected interest rate, points, closing costs, etc.). The intent is to begin putting together supporting information as a backup strategy to the USDA loan.

5. Other Questions Related to Building Pro Forma Financials -

LAND: If Mamtek needs to build a total of 425,000 square feet of production space (over the next 5-7 years) it seems like a minimum of 20 acres of ground is needed for a Greenfield project. The initial project will be the 85,000 building, and subsequent phases would expand the original building.
- In this scenario is 20 acres adequate for zoning?
- Is extending the original building for each subsequent phase acceptable?
- At 20 acres, what would "average" land values be?
- What costs are proposed for land for this project?

BUILDING PERMIT: Assuming construction costs and permanently installed equipment are approximately $27,000,000, of which "hard" construction costs could be $6-8,000,000:
- What would the cost of a building permit be (is there a formula for calculation)?
- What are the costs associated with other potential permits (electrical, plumbing, HVAC, etc.)
- Are there any "standard" charges for connection to water or sewer?

GENERAL CONTRACTOR: Mamtek would like to use a local general contractor to construct the building, site improvements and facilitate installation of this equipment (Mamtek will provide subcontractor contact information for equipment acquisition and installation).
- Can you recommend local General Contractors capable of executing the project?

UTILITIES: For the purposes of budgeting can you provide costs for standard utilities:
- Average cost per kilowatt hour:
- Average cost/formula for water usage:
- Average cost/formula for wastewater:
- Average cost/formula for natural gas:
- Average cost/formula for trash removal (non-hazardous waste)

Again, thank you for your assistance in putting together this information. Your letter will be used by Mamtek to focus their site selection efforts. If it's possible to get the letter this week I really appreciate it.

Thanks!

Tom
--

Thomas A. Smith
Capital Business Development Associates

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Exhibit D

Wuyi District Management Committee summary of the work in 2009 and 2010 work plan

(B) To promote the economic development of the park to ensure the implementation of work, the main park in 2009 following tasks

2, good and intensive land use and the "cage for a bird" work

① sucralose project. The project signed in 2007 the park, 47 acres of land for the project, the contract by the New Area Administrative Committee building roads, office, boiler room, distribution room and other facilities, the construction companies on behalf of Make Te plant a 3800 square meters, completed pipe Authority and leased to Make Te buyback companies use. The current plant, boiler room, distribution room have been completed. Sucralose is a project for fine chemical, environmental protection department recommended the withdrawal of the park project, In consultation with the Make Te company many times, the company agreed to withdraw. I commissioned the construction of the building materials will be sent to the ground Audit Office audit, investment and land to be together through secondary transfer. Has been negotiating with two companies, and has formed the intention.

② East to building projects. East to building projects contracted in 2006, the land area of 20 mu, building materials, discontinued in 2007, the Council in consultation with the owners many times, agreed with 170 million will be to sell the land and plant to another company, with in the production of tea machinery.

③ flourishing tea project. Flourishing tea project signed in 2006, covers an area of 30 acres, land formation, construction of retaining wall after the cessation. I appointed after repeated consultations with the owners agreed to the transfer of land to Xiamen Long Star Power Company, the production of photovoltaic products, at the end of contract.

Wuyishan Wuyi District Management Committee

December 15, 2009

Exhibit E

From: Thomas Smith <tom@cb-da.com>
Sent: Monday, January 11, 2010 6:21 PM
To: Maglich, Terry
Subject: Question About Agricultural Development

Terry,

I have a client that's interested in developing a sugar-substitute manufacturing capability. DO you do any teaming with Agriculture of Farm Bureau to encourage this type of development? The effort needs about $3-5M in loans/grants to get going...

Tom

--

Thomas A. Smith
Capital Business Development Associates

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AKO: thomas.a.smith@us.army.mil
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www.cb-da.com

Exhibit F

Bloomberg Businessweek

Features January 05, 2012, 3:30 PM EST

A Missouri Town's Sweet Dreams Turn Sour

Bruce Cole persuaded Moberly, Mo., to help him build a sucralose plant. The town's sweet dreams of jobs and opportunity soon became a nightmare

By Susan Berfield

It was a bright July morning in 2010, early enough in the day for those gathered to be pressed and creased and hopeful. The former governor of Missouri, Bob Holden, stood on the muddy edge of acres of prairie just beyond the city of Moberly. With him were the mayor, local economic development officials, residents, and a short, chubby, well-dressed executive from Beverly Hills named Bruce Cole. His company, Mamtek U.S., would soon break ground on what he promised would be a state-of-the-art facility to manufacture its Sweet-O brand of sucralose, an artificial sweetener. Moberly had been so enthralled by Cole that within a mere three weeks after he first came to town, officials gave initial approval for $39 million worth of municipal bonds for Mamtek. Cole told Moberly the plant would open in about six months, operate 24 hours a day, and eventually employ 612 people.

The first employee was Olivia Lindsey. She was hired that November as Mamtek's human resources director. Lindsey had been working as a consultant in St. Louis, "laying people off since 2002," she says. "It was heart-wrenching. I couldn't do it anymore." She moved to Moberly, and her grown kids and their families all bought homes there and opened a restaurant. "This seemed like an incredible opportunity," Lindsey says. "Cole seemed like he had millions and millions of dollars. And the government was talking the same way."

Lindsey hired a dozen executives and engineers, who then hired their own consultants. They rented office space, developed sales brochures, bought computers, centrifuges, stainless steel tanks, a sugar silo, and pipes of all sizes. Two structures emerged on the 33-acre site.

Cole had lots of grand plans. But reality caught up with him. To the growing frustration of Moberly officials and residents, he kept pushing back the completion date of the facility. In

August 2011 it came time for Mamtek to make its first payment on the principal of the bond, a sum of $3.2 million. Cole's company didn't have the money. It never did, as it turned out.

Lindsey and several of those she had recruited were let go in September. By the end of October, Mamtek was broke and the city had defaulted on the bonds. The unfinished plant sits in the optimistically named Moberly Area Industrial Park. Instead of a global company and economic opportunity, Moberly now has laid-off workers, unpaid vendors, angry bondholders, and a battered credit rating. Lawsuits have been filed against Mamtek and Cole personally. Millions of dollars invested in the company are gone, some of it in questionable payments. Cole is back in Beverly Hills, and it is now evident that he was in dire financial straits when he persuaded Moberly to invest in his dream. "Bruce ran us right off the cliff," says Jeff Howard, who was Mamtek's general manager. "He never said to slow down. Mamtek was so exciting, and then it just went to hell."

Although Cole would not comment, interviews with former Mamtek executives, consultants, and city officials, as well as a review of the bond offering, legal filings, and other records made public, tell the story of Mamtek's collapse. It's a tale of economic desperation, the lure of Chinese wealth, and, most of all, people's need to believe. "We all thought this was going to be awesome. We thought everything had been checked out," says Lindsey. "Shame on us."

Sucralose is a stripped-down, chemically altered sugar molecule. The process requires replacing three of sugar's hydroxyl groups with chlorine atoms. The result is an artificial flavor 600 times as sweet as the natural one. On Mamtek's website, the patented formula for its Sweet-O brand of sucralose was helpfully described as its "exclusive Ozark Process."

Bruce Cole told a beguiling story about Sweet-O. In 2006 he started his sucralose manufacturing company in China's Fujian province and called it Mamtek International. ("Mamtek" comes from the Hebrew word for "sweetener.") Demand was increasing worldwide for artificial sweeteners, which can have high profit margins. (TATE:LN)Tate & Lyle, the British company that invented sucralose and sells it as Splenda, was having trouble keeping up production, and the last of its original patents was expiring. Cole's partners developed a formula and technology to produce the sweetener more efficiently than Tate & Lyle, they said. They were ready to expand the manufacturing facility but decided to build in the U.S. instead. A "Made in the USA" product would fetch a premium in the global marketplace, and Cole claimed to have customers for almost every kilogram of sucralose Mamtek could produce in its first three years. All he needed was financing.

In his search for U.S. municipalities that might provide it, Cole landed in Bismarck, N.D., in the spring of 2010 with two associates to pitch their project. "They really didn't show up with a lot of material," says Russell Staiger, president of the Bismarck-Mandan Development Assn. "We never saw any information about their financials. It was all just talk. They didn't even bring any sucralose. We have an expression up here: a rancher who's all hat and no cattle."

Cole's reception in Moberly that April was warmer. Moberly has a population of 14,000 and an annual budget of about $7 million, with as many pawn shops and payday loan operators as restaurants. It's not bereft: There's a community college, a (WMT)Wal-Mart distribution center, and a state prison. But like many small communities, it has greater ambitions than prospects. When Cole insisted on a speedy deal, officials were happy to oblige.

Cole estimated construction of the plant would cost about $40 million. He had investors who would contribute $7 million, though he himself would put in no money at all. In addition to the $39 million worth of bonds, the state of Missouri's Economic Development Dept.—which first brought what it called Project Sugar to the attention of Moberly and other cities—offered a $17.6 million package of incentives.

Over the next several weeks an appraisal firm valued Mamtek's intellectual property at $50 million. Mamtek's own law firm provided blueprints of the manufacturing facility in Fujian as well as photos taken by one of its attorneys and reviewed a translated copy of a purchase contract from a Chinese pharmaceutical company. (MHP)Standard & Poor's gave the proposed bond offering an A- rating. The bonds, approved by the Moberly Industrial Development Authority in mid-May and to be repaid by revenue from Mamtek, were underwritten by a Memphis investment bank.

Curiously absent in this flurry of paperwork was substantial financial information about Mamtek's Chinese operations. What Cole offered instead was a forecast of future riches based on Mamtek's technological ingenuity. "Any time someone tells me I've got an investment from China that's built on 'groundbreaking technology,' I become very suspicious," says Benjamin Shobert, the founder of Rubicon Strategy Group, a firm that works in emerging markets. "That's not what China is known for right now. Most of China's investment is driven by natural resources."

Bruce Cole, now 64, is not a charismatic figure, but he is a determined one. In video testimonials for the project—shot sometime last winter and still on YouTube as of early January—he is sleepy-eyed, has drooping jowls, and speaks in a low monotone. He sits in

Moberly's economic development office surrounded by gold-plated shovels commemorating other successes. "The city's commitment has been very joyous. ... In Moberly, you have a population that has confidence in their government and allows their government to take risks and make bold decisions. That is very unusual in my experience."

By the time Cole arrived in Moberly, he had built a résumé of executive titles, several at Chinese companies. It looks impressive, but his quantifiable accomplishments are few.

He studied philosophy at the University of California at Los Angeles and earned a degree from the University of San Francisco School of Law in 1975. There he met his wife, Nanette Hudson. Cole spent most of the 1980s at a firm he co-founded in the Bay Area. Next he worked as in-house counsel at financial advisory, corporate restructuring, and insurance companies.

In 1998 he and his wife bought the $2.4 million, 8,000-square-foot home in Beverly Hills they live in now. They joined Temple Emanuel, the preeminent synagogue in town, and became significant donors. (Cole is on its board of directors.) Nanette serves on the city's planning commission.

According to business associates, Cole began to use his Beverly Hills address, and the connections it afforded, in other ways. He met one future Mamtek partner, an engineer and entrepreneur named David Ho, because their sons were on the tennis team together. Soon he was involved in a tangle of technology, engineering, and financial firms, some public, some private. By outward appearances he was doing well. He took frequent first-class trips to China, filled his Beverly Hills home with Chinese antiques, hosted big Chinese New Year's parties, and gave the impression that he had an elaborate network of Chinese contacts.

Between 2004 and 2009 he embarked on a few ambitious China-related projects that required municipal funding and never amounted to much, including a would-be Chinese trade center in a Laredo (Tex.) mall and an office to promote Chinese tourism in Beverly Hills. During this time he also founded Mamtek. He joined Ho and Ho's partner, a chemical engineer, who were trying to make sucralose for their green tea extract company in China. After Cole proposed they become a global supplier of sucralose, he sold two other Beverly Hills friends on the idea, took them on as investors, named himself chairman and chief executive officer, and registered Mamtek International in Hong Kong.

In the fall of 2009 a member of Temple Emanuel introduced Cole to Reena Gordon. She had earned an undergraduate degree from Harvard University, an MBA from Wharton School, and seemed like the perfect person to help Cole establish Mamtek in the U.S. She signed on

as project manager and eventually became the company's chief operating officer. Gordon and a consultant began looking for a suitable location. They turned to an acquaintance, the former governor of Missouri, Bob Holden, who introduced Cole and his company to officials in nearly a dozen Midwestern states.

By July 2010, Mamtek had its site and its money. Among Cole's first expenditures was hiring an old client, Lindsay Leveen, to supervise the engineering of the plant. Leveen, who kept his job as an executive at Genentech in San Francisco while helping run Mamtek, sent three consultants to study Mamtek's plant in the city of Wuyishan in Fujian province. They returned with the sucralose "cookbook" and hundreds of photos. Gordon, the COO, helped Leveen debrief them; she then left the company in October. Leveen, still holding a full-time position in California, eventually took on the COO job, too. Leveen and Gordon declined to comment for this story.

Cole, meanwhile, was already talking about the future. That October, in Moberly as construction began on the plant, Cole said Mamtek was in negotiations with a Chinese pharmaceutical company, Zhucheng Haotian Pharmaceutical, or ZCHT, about a joint venture in Moberly. "Mr. Zhu, the president, has made the decision to come here," Cole said in a radio interview. "The rapidity with which Moberly could respond has been noted with incredulousness by companies that could be moving here."

With Cole on that visit to Moberly was a woman from Beverly Hills who had come to check on her investment. Alissa Roston, who knew Cole from Temple Emanuel, had put $3 million into Mamtek International, and would eventually contribute $1 million more. She began acting as treasurer and pitching in wherever she could. In November she hired Olivia Lindsey to fill in the executive ranks and prepare to hire and train plant workers. It wasn't long before Lindsey became concerned about Mamtek's disorganization.

"Three or four weeks in, I was like, 'Oh, my God.' No one had any experience running a company," she says. By this point, Roston had returned to Beverly Hills; Lindsay Leveen was in San Francisco. Cole, a fleeting presence, wouldn't reappear in Moberly until December. "There was no plan, no construction budget, no operating budget, no estimates, no forecasts. Nothing. It was so chaotic," Lindsey says. "Alissa was trying. But Bruce was disengaged and was flying back and forth to China. Lindsay would call us during his carpool to Genentech. You cannot start a business on a cell phone." Roston declined to comment.

The scramble to get the factory up and running continued through the winter, past Cole's promised completion date. The first interest payment on the bond, $1.2 million, was due in

February. Mamtek, which had no revenue, had a hard time coming up with the money and just made the deadline. Cole hadn't been able to secure other investments, but he never seemed worried.

Although Cole didn't mention it in his official pitch, he was counting on raising millions through the U.S. EB-5 visa program. The government will grant temporary residence visas to anyone who invests $500,000 in a U.S. company; if the funding creates 10 jobs in a certain amount of time, the investor gets a green card. The U.S. companies have to work through government-approved regional centers. Mamtek intended to set up its own center to attract Chinese investors for the sucralose plant and other Moberly projects. Mamtek applied for expedited approval in January, which Cole hoped would come in April. The government denied the request.

Cole told Lindsey and other Mamtek employees that the company's EB-5 application would be approved later through the regular process. In the meantime, he said, he was close to raising a great deal of money from other investors. No one had any reason not to believe him.

Spring arrived in Moberly. Cole continued to travel from Beverly Hills to China, dropping by the Mamtek office every now and then. He would give some encouragement, make promises, and leave. Moberly was waiting for delivery on those promises. Lindsey received almost 5,000 applications for 120 jobs at the sucralose plant. "It was overwhelming," she says. Her worries about the company's lack of financial discipline were mounting. Lindsey says her efforts to hire a controller had been rebuffed early on; eventually, Cole brought in a consultant to serve as chief financial officer, but he only worked part-time. Roston was bailing out Mamtek check by check until her total investment reached $4 million. Even so, by May Mamtek had fallen behind on some routine payments. Frustrated, Lindsey asked a friend to audit Mamtek's finances. "In two days she realized we had a problem," says Lindsey. "She told us that we were almost out of money. We didn't have a clue."

Roston, who stepped back from her day-to-day responsibilities at the company in June, seemed just as surprised. The drawdowns on the bond money were handled by Cole with scant oversight by anyone. "They were pissed I brought someone in," says Lindsey. "But no one was watching the money." Lindsey cut costs and even looked into selling equipment. Cole told everyone to stay focused on their work: The money was coming.

To make matters worse, the three-person sales team had begun meeting with potential corporate customers and learned that the price of sucralose was dropping. While Tate &

Lyle, the premium producer, could get as much as $250 a kilogram, new Chinese and Indian manufacturers were offering it for about $90. Cole had expected to get $170. Mamtek had to revise that to about $120, according to Joe Clayton II, head of sales and marketing. Mamtek could still earn a profit. But the business model was no longer as enticing as Cole had suggested.

Another reality check came in the form of Jeff Howard. Lindsey had recruited Howard that spring as general manager; he left a job at health-care company (COV)Covidien and a home in Connecticut. "It all looked so good on paper," he says. When he got to Moberly, though, he was baffled the plant design wasn't finished, even though construction was under way. "There was no explanation," he says. It wasn't until mid-August that Howard and his colleagues had completed enough engineering to produce a budget: Mamtek would need another $45 million to finish the plant.

But on Aug. 1, Mamtek could not come up with the $3.2 million bond payment. Cole asked for more time, promising he could raise $20 million to $30 million. One employee recalls hearing about a Chinese investor, another about a Korean. Lindsey says Cole hoped to get those millions from an EB-5 project in Philadelphia that had stalled. (Mamtek's own EB-5 approval came in mid-August, though before then the company did attract a total of $2 million from four Chinese investors.)

"The whole time, Bruce was telling us the money's coming in. It didn't come in, it didn't come in, it didn't come in," says Lindsey. "I'm still believing he'll pull it off," she says about that tense summer. "And then it collapsed." On Sept. 2, Lindsey was laid off, writing to a friend: "I need to file for unemployment!! Mamtek has no money and is releasing people starting today. Got any openings??"

Soon after, Cole, Roston, and David Ho, who constituted the board of directors for Mamtek U.S., brought in a Los Angeles liquidation firm to deal with its creditors. Incredibly, Cole formed another company, American Sucralose Manufacturing, to try to save Mamtek. The city of Moberly gave him a deadline of Oct. 26 to raise enough money to make the bond payment and keep the project going. People who spoke with him during this time say he sounded optimistic. He gave Moberly $45,000 early that month and then walked away from his commitment to the city, according to officials there.

Wuyishan city lies at the base of Mount Wuyi, a Unesco World Heritage site and popular destination for Chinese tourists. There are scenic foothills and rivers and plantations that grow the renowned Da Hong Pao (Big Red Robe) tea. In an industrial zone on the southern

edge of the city sits the Wanho food and beverage plant, once owned by David Ho and his local partner, Wan Zhenghao. The factory is idle, the workers' dormitories empty. It was here, in the summer of 2007, that Mamtek International rented space to research the production of sucralose, says a person closely involved in the operations, who would not speak on the record. Mamtek created a small facility, almost like a test lab, and sometime in 2008 began building a larger factory capable of producing commercial quantities.

In 2009, as construction was completed, the local government revoked Mamtek's license. A senior official at the Wuyishan City External Trade Cooperation Bureau says of that decision: "We don't dictate what industries can or cannot set up here. But we don't allow anything that pollutes the environment and affects the tourism industry." He wasn't more specific, but sucralose production can generate a caustic, salty stream of waste that if dumped untreated into rivers can kill fish and cause serious environmental problems.

This blow to the business in Wuyishan appears to be what led Cole to establish Mamtek in the U.S. Once Cole secured the bond money from Moberly, he returned to Wuyishan during the summer of 2010. He paid Wan $500,000 for the patents and intellectual property associated with the plant. Jeff Howard, Mamtek's general manager, would later deem them nearly worthless. "That technology would really only be of value where environmental concerns are not so significant," says someone else at the company.

Other aspects of Cole's Chinese business dealings turned out to be exaggerated, too. Cole had said Mamtek had many customers, but only one contract to purchase its U.S.-made sucralose was part of the bond offering. Repeated attempts to contact the headquarters of that Chinese company were unsuccessful. ZCHT, the pharmaceutical company whose boss, according to Cole, was going to move to Moberly, did not have plans to relocate. "Mamtek approached us, and we had some talks," says Felix Sun, the sales manager. "But nothing came of it."

The Securities and Exchange Commission's Los Angeles bureau has been looking into Mamtek since March. The Missouri attorney general's office and state lawmakers have also begun investigations. The trustee for the bond, UMB Bank, is suing Mamtek for the bond money in federal court and trying to force the company into a bankruptcy supervised by a Missouri lawyer instead of the California liquidation firm. The immigration agency in Beijing that pitched Mamtek to its clients, each out $500,000 and an EB-5 visa, says it may sue Cole. Alissa Roston has sued Cole for $75,000 in unpaid personal loans. (In court filings, he has denied the claims.)

The money poured into Mamtek may not be recovered; most has already been spent. About $16 million worth of equipment was purchased, according to UMB. It wasn't all delivered, though, and the bank estimates that about $9 million worth is sitting on the site. Construction and road work came to about $8.5 million. A dozen or so engineering consultants were paid a total of $1.7 million.

Questions persist about payments totaling $6.1 million to Ramwell Industrial. In the bond offering, Ramwell is described as a Hong Kong company that held Mamtek's intellectual property. Yet the invoices contain less information than an electric bill. The Hong Kong address for Ramwell Industrial is the same as that of at least two other companies Cole has been connected to, as the *Columbia Daily Tribune* first reported in October. And Ramwell Industrial was never registered to do business in Hong Kong. There was once a Ramwell Industrial Ltd. It was a California firm registered by Cole in 2001; its business license has since been suspended.

Cole has publicly addressed Mamtek's collapse once, in a rambling e-mail sent to the *Tribune*, claiming Ramwell Industrial was a "to-be-formed company" that had no links to the defunct Ramwell Industrial. He also wrote that Ramwell had a contract with Mamtek to expand the Chinese facility and that the "contract was transferred and assigned to Mamtek." He concluded: "All the funds represented by the [Ramwell] invoices were devoted to the Mamtek, Moberly project."

It has since become clear that when Cole was pitching his project, in the spring of 2010, he was facing tremendous personal financial problems. Ely Malkin, a Mamtek International investor who was not involved in its U.S. venture, had taken him to court over an unpaid loan of $250,000. (AXP)American Express had filed a lien against him for an unpaid bill of nearly $135,000 on his by-invitation-only Centurion Card. And he had defaulted on the $3.7 million mortgage on his home in Beverly Hills. Two weeks after the first bond payment to Ramwell in July 2010, and just three days before the bank was supposed to sell the property, Cole somehow saved his home. Cole settled up with Malkin in March 2011. The status of his American Express debt is not publicly available.

Officials in Missouri, quick to welcome Mamtek, are now loath to take responsibility for its demise. Moberly trusted the expertise of Mamtek's own counsel as well as the appraisal firm and the bond underwriters, Morgan Keegan (which settled a fraud case this past summer related to subprime mortgage securities and is now up for sale). Morgan Keegan said its due diligence focused on the city's finances and that it relied on Moberly and the state's Economic Development Dept. to verify Mamtek's financial condition. Economic Development was wary of placing too many demands on companies interested in doing business in the

state. That sends the message that they are "obviously not welcome in Missouri," said David Kerr, the now-retired director of the department, during hearings held by the Missouri House of Representatives in November.

Moberly officials are inclined to think Mamtek came to such an inglorious end because others didn't believe enough. "Maybe Bruce didn't have control over it being stopped. I got the sense his hands were tied," says Mayor Bob Riley. "I think it was a heartfelt disappointment for him." S&P downgraded Moberly's credit rating from A to B on Sept. 22, three notches below that of Detroit. Now, Moberly is trying to find another company to take over Project Sugar.

"The most likely suitors would be people already in the business," says Howard. "It will take $45 million to complete the facility as designed and at least $10 million in operating capital. You have to come to an agreement with the bondholders and creditors. And you don't even know if $90 a kilogram is a stable price."

The Mamtek facility has been fenced off but is easily observed from Route 63. Across the way, Moberly's drive-in is closed for the season. The Heartland Banquet Center is quiet. "There was always a lot of talk about what this could be," says Olivia Lindsey. "Was it pure fantasy? I don't know."

With Daryl Loo

Berfield is an associate editor for *Bloomberg Businessweek*.

Exhibit G

From: Shea, Lynne [mailto:lynne.shea@ded.mo.gov]
Sent: Thursday, May 13, 2010 11:02 AM
To: Corey Mehaffy
Subject: follow up

Corey,
Our China office is looking in more detail to Mamtek's China facility. I will let you know what I find out. I was not aware of any information Gov. Holden had in his research. Are you comfortable contacting him directly? I know you have been in some discussions with him.

Lynne Shea
Project Manager
Missouri Department of Economic Development
301 E. High Street, Room 720
PO Box 118
Jefferson City, MO 65101
lynne.shea@ded.mo.gov
(573)751-5798 desk
(573) 751-7384 fax
(573) 694-2085 cell

Exhibit H

From:	Edward Li <edward.li@missourichina.com>
Sent:	Monday, May 17, 2010 3:12 AM
To:	Shea, Lynne
Cc:	Li, Yan; Desloge, Maria
Subject:	RE: Follow Up on Concepts for Mamtek to Locate in Missouri
Attachments:	WO 2010 011866.pdf

Hi Lynne,

I've checked the two address you mentioned.

Hopewell Ctr. 183, Hong Kong

Hopewell Centre is a 64-storey business office building in Hong Kong. It is located at 183 Queen's Road East, in Wan Chai on Hong Kong Island. You can find that Hopewell Ctr. 183, Hong Kong is an incomplete address. We don't know if Mantek has a virtual office there or just a registration address for the business license, but one thing for certain is that it's not a manufacture plant.

We believe the full address is 27F, Hopewell Centre, 182 Queen's Road East, which indicated by the attached document. And we found 27F is a business centre, where Mamtek probably just used for registration. http://www.sbc.com.hk/English/Location/Location.htm

16/F, Cheung Kong Centre
2 Queen's Road, Central Hong Kong

This address is similar to the above. http://www.executivecentre.com/service-office-locations/serviced-offices-hong-kong-cheung.html
It's a business center which provides many small cubes to different companies.

So far, we didn't find any further information regarding another Mamtek's manufacture plant in China.

Regards,

Edward Li

From: Shea, Lynne [mailto:lynne.shea@ded.mo.gov]
Sent: 2010年5月13日 23:45
To: Edward Li
Cc: Li, Yan
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Edward and Yan,
Good day! I am still working on the Mamtek Project. They are moving forward with their plans to locate a plant in Missouri.
I do have an additional address I would like to have checked and wanted to see if you had any additional info on this facility of the Fujiuan Province facility? The company states they are in production in China. Any information you can provide will be beneficial. Thank you.

Address:
Hopewell Ctr. 183
Hong Kong

Is there any additional information you could provide regarding the Fujian Province facility?

Lynne Shea
Project Manager
Missouri Department of Economic Development
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Jefferson City, MO 65101
lynne.shea@ded.mo.gov
(573)751-5798 desk
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(573) 694-2085 cell

From: Edward Li [mailto:edward.li@missourichina.com]
Sent: Tuesday, April 13, 2010 5:13 AM
To: Li, Yan
Cc: Desloge, Maria; Shea, Lynne
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri
Importance: High

Hi Yan,

According to the relevant info searching and some calling, we found that Mamtek is a originally a Hong Kong company, locates 183 Queens Road East 27/F, Hopewell Center, Hong Kong (CN).

The Board Chairman is Mr. BRUCE COLE
Vice Board Chairman, Legal Person: Mr. HO, David, Losan; (US). 何乐三
Vice Board Chairman, General Manager: Mr. WAN, Zhenghao; (CN). 万正豪

We found their plant in Fujian Province, China, never started to manufacture. In 2007, their investment project was approved by Wuyishan City, Fujian. As the initial agreement, local government build the factory and all facility for Mamtek, while Mamtek will rent the facility in the beginning and will finally purchase the facility. The planned investment capital is 20 million USD, which will be invested by three phases. In 2008, although most of the facility was built, Mamtek still didn't start manufacturing. One of the reasons is the protest from local conservation department, who

insisted that the project is a kind of fine chemical industry, which should not be set in this zone. In 2009, Mamtek made the deal with local government and agreed to move out (they never started) and so far there is no other news about the new location in China.

I don't have time to translate all the attached information, please have a quick review and explain to Lynne if she has any questions.

Regards,

Edward Li

From: Li, Yan [mailto:yan.li@ded.mo.gov]
Sent: 2010 年 4 月 13 日 2:28
To: Edward Li
Cc: Desloge, Maria; Shea, Lynne
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Edward,
Is there any way you can email me whatever you have digger out before you leave China? Lynne shall do the follow up. Yan

---

From: Edward Li [mailto:edward.li@missourichina.com]
Sent: Friday, April 09, 2010 7:01 AM
To: Li, Yan
Cc: Desloge, Maria
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Working on it.

It seems it's not a Chinese mainland company. Only one or more manufacture facilities are in China.

I'll try to dig out more.

Regards,

Edward Li

From: Li, Yan [mailto:yan.li@ded.mo.gov]
Sent: 2010 年 4 月 9 日 3:36
To: Edward Li
Cc: Desloge, Maria
Subject: FW: Follow Up on Concepts for Mamtek to Locate in Missouri

Hi, Edward,
Lynne is the project manager in our sales team. You will meet her when you come. She wants us to do a background check on this Chinese company. They are talking about setting up a manufacture facility in US,

possibly in MO, but we cannot get any of their finance background. Let us know whatever you can dig out on this company. Thank you.
Yan

From: Shea, Lynne
Sent: Thursday, April 08, 2010 10:35 AM
To: Li, Yan
Subject: FW: Follow Up on Concepts for Mamtek to Locate in Missouri

The attachment has the company information.
Lynne

From: Thomas Smith [mailto:tom@cb-da.com]
Sent: Tuesday, April 06, 2010 6:09 AM
To: Shea, Lynne
Cc: Bob Holden
Subject: Follow Up on Concepts for Mamtek to Locate in Missouri

Lynne,

I sincerely appreciate you following up with me, I know its tedious. This email follows up on our conversation yesterday. I would like to narrow our focus to capture additional information from Mexico, Moberly, Sedalia and Odessa.

As we discussed last week, the Mamtek opportunity has evolved in a positive way. I am hoping you can help me move the Mamtek site selection to the next level by providing information that is important to building site specific pro forma financials. If possible, I'm hoping we can get a letter (this week) from you with answers to the questions below, which will be used by Mamtek's principals to make the site selection.

We need to revisit the site size and look for a location of approximately 25 acres. I've attached a short project overview which focuses on Phase 1 of the project, which is similar to what we have previously discussed, but lays out the future requirements for growth. Mamtek is committed to building the initial 85,000 square foot facility as quickly as possible, and would like to provide for rapid expansion, driven by pre-sold product demand.

Mamtek is focused upon quickly developing a financing scenario tailored to specific locations. They will develop pro forma financial statements and a business plan tailored to the proposed location. I'm hoping you can help me put together a specific scenario that Mamtek can use to generate these financial documents.

SITE SELECTION: The following background lead to increasing the planned size of the planned site. Mamtek has pre-sold virtually the entire production of the proposed U.S. facility. As a result, they are considering a second phase to be constructed 12-18 months following completion of the current effort. Mamtek predicts a total requirement for 22 production lines to support U.S. production. This could require the construction of five of the 85,000 square foot structures over the next 5-7 years. Consistent with the potential growth in production, similar growth of employment from 161 to as many as 700-750 could occur. The second phase would add 150 employees to the initial staff.

PROJECT FINANCING: The total Phase 1 project will be approximately $35,000,000. The project cost estimate does not include costs associated with major improvements to access the site. The owners will provide the capital for anything in excess of $25,000,000. The owners will have more than 20% of tangible and/or liquid investment in the project. The owners would prefer to own the facility, but will consider leasing it from

the City if that generates advantages to financing the project. They would like to pursue financing in the following manner:

1. **Community Development Block Grant** – Hopefully the use of CBDG funds will be used to improve access to the proposed site and bring utilities to the location as well. Please indicate the amount of CBDG funding for which the project is qualified. The actual amount of the CBDG funding will be tailored to the project by the City.

2. **Other Grant or Funding Programs** - Please indicate any grant or other funding programs which could reduce the amount of any loan requirement. Tax abatements may not be relevant, as they are paid "in arrears" and are best used to improve cash flow over time. Local or state managed grants or incentives that reduce the amount of loans are extremely desirable. Please indicate any relevant programs and estimates of amount or formulas used to determine funding levels.

3. **Business & Industry (B&I) Guaranteed Loan Program** – Mamtek would like to pursue a USDA guaranteed B&I loan of $25,000,000. They would like to submit a preapplication with financials and an executive version of the business plan approximately 26 April. If approved, Mamtek will focus on USDA funding as a source of financing. Please indicate "subject to appropriate financial information and loan application documents" banks that would consider participating in the loan pursuit and the general terms of such a loan (term of loan, projected interest rate, points, closing costs, etc.). The intent is to identify who Mamtek should work with to develop the USDA pre-application.

If the USDA loan is not available:

4. **Industrial Revenue Bond** – In the event that USDA backed loans are not available, Mamtek would like to pursue an Industrial Revenue Bond, or similar financing instrument. Please indicate "subject to appropriate financial information and loan application documents" the City's willingness to support such a bond and the general terms of such a loan (projected interest rate, points, closing costs, etc.). The intent is to begin putting together supporting information as a backup strategy to the USDA loan.

5. Other Questions Related to Building Pro Forma Financials -

LAND: If Mamtek needs to build a total of 425,000 square feet of production space (over the next 5-7 years) it seems like a minimum of 20 acres of ground is needed for a Greenfield project. The initial project will be the 85,000 building, and subsequent phases would expand the original building.
- In this scenario is 20 acres adequate for zoning?
- Is extending the original building for each subsequent phase acceptable?
- At 20 acres, what would "average" land values be?
- What costs are proposed for land for this project?

BUILDING PERMIT: Assuming construction costs and permanently installed equipment are approximately $27,000,000, of which "hard" construction costs could be $6-8,000,000:
- What would the cost of a building permit be (is there a formula for calculation)?
- What are the costs associated with other potential permits (electrical, plumbing, HVAC, etc.)
- Are there any "standard" charges for connection to water or sewer?

GENERAL CONTRACTOR: Mamtek would like to use a local general contractor to construct the building, site improvements and facilitate installation of this equipment (Mamtek will provide subcontractor contact information for equipment acquisition and installation).
- Can you recommend local General Contractors capable of executing the project?

UTILITIES: For the purposes of budgeting can you provide costs for standard utilities:
- Average cost per kilowatt hour:
- Average cost/formula for water usage:
- Average cost/formula for wastewater:
- Average cost/formula for natural gas:
- Average cost/formula for trash removal (non-hazardous waste)

Again, thank you for your assistance in putting together this information. Your letter will be used by Mamtek to focus their site selection efforts. If it's possible to get the letter this week I really appreciate it.

Thanks!

Tom
--

Thomas A. Smith
Capital Business Development Associates

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(WO/2010/011866) METHODS FOR EXTRACTING AND PURIFYING SUCRALOSE INTERMEDIATE

Latest bibliographic data on file with the International Bureau

Pub. No.: WO/2010/011866 International Application No.: PCT/US2009/051588
Publication Date: 28.01.2010 International Filing Date: 23.07.2009

IPC: *C07H 1/06* (2006.01), *C07H 1/00* (2006.01), *C07H 3/00* (2006.01)

Applicants: MAMTEK INTERNATIONAL LIMITED [CN/CN]; 183 Queens Road East 27/F, Hopewell Center Hongkong (CN) *(All Except US)*.
HO, David, Losan [CA/US]; (US) *(US Only)*.
WAN, Zhenghao [CN/CN]; (CN) *(US Only)*.

Inventors: HO, David, Losan; (US).
WAN, Zhenghao; (CN).

Agent: HAMILTON, Joseph, P.; (US) .

Priority Data: 12/178,510 23.07.2008 US

Title: METHODS FOR EXTRACTING AND PURIFYING SUCRALOSE INTERMEDIATE

Abstract: The present invention provides a method for purifying sucralose-6-ester for use in making sucralose, wherein the method eliminates the need of an esterification process. In particular, ethyl acetate and ether are used to extract and purify sucralose-6-ester from a sucralose production intermediate composition comprising sucralose-6-ester.

Designated States: AE, AG, AL, AM, AO, AT, AU, AZ, BA, BB, BG, BH, BR, BW, BY, BZ, CA, CH, CL, CN, CO, CR, CU, CZ, DE, DK, DM, DO, DZ, EC, EE, EG, ES, FI, GB, GD, GE, GH, GM, GT, HN, HR, HU, ID, IL, IN, IS, JP, KE, KG, KM, KN, KP, KR, KZ, LA, LC, LK, LR, LS, LT, LU, LY, MA, MD, ME, MG, MK, MN, MW, MX, MY, MZ, NA, NG, NI, NO, NZ, OM, PE, PG, PH, PL, PT, RO, RS, RU, SC, SD, SE, SG, SK, SL, SM, ST, SV, SY, TJ, TM, TN, TR, TT, TZ, UA, UG, US, UZ, VC, VN, ZA, ZM, ZW.
African Regional Intellectual Property Org. (ARIPO) (BW, GH, GM, KE, LS, MW, MZ, NA, SD, SL, SZ, TZ, UG, ZM, ZW)
Eurasian Patent Organization (EAPO) (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM)
European Patent Office (EPO) (AT, BE, BG, CH, CY, CZ, DE, DK, EE, ES, FI, FR, GB, GR, HR, HU, IE, IS, IT, LT, LU, LV, MC, MK, MT, NL, NO, PL, PT, RO, SE, SI, SK, SM, TR)
African Intellectual Property Organization (OAPI) (BF, BJ, CF, CG, CI, CM, GA, GN, GQ, GW, ML, MR, NE, SN, TD, TG).

Publication Language: English (EN)

Filing Language: English (EN)

Exhibit I

From:	Golden, Mike
Sent:	Friday, June 04, 2010 8:10 AM
To:	Havener, Greg
Subject:	FW: Emailing: june30 patent summary Document
Attachments:	Mamtek US Financial Statements 5_24_10.xls; Merck sucralose for pharamaceutical applications.pdf; Quantification of Mamtek capital investment efficiency.pdf; Sucralose_market_report.pdf; june30 patent summaryDocument.pdf
Importance:	High

Greg,

Here is the other load of attachments I got from Corey last night.

-----Original Message-----
From: Corey Mehaffy [mailto:cmehaffy@moberly-edc.com]
Sent: Thursday, June 03, 2010 7:13 PM
To: Golden, Mike
Subject: FW: Emailing: june30 patent summaryDocument
Importance: High

Corey J. Mehaffy
Moberly Area Economic Development Corporation

-----Original Message-----
From: Tom Cunningham [mailto:tom@municipalfirm.com]
Sent: Thursday, June 03, 2010 6:51 PM
To: Corey Mehaffy
Subject: Emailing: june30 patent summaryDocument
Importance: High

<<June30 patent summaryDocument.pdf>>
Corey:

Per opur conversations, these are some of the due diligence materials that should be looked at.

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medium because you have consented to receive e-mail communications. If you elect to have future communications transmitted via a different medium, please let me know IMMEDIATELY.

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Tom Cunningham
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Five Production Lines: Annualized Steady State Earnings by Price Point

Price per Kilo	$175	$190	$200	$225	$240
vs. $210 avg price per kilo worldwide	83%	90%	95%	107%	114%
vs. $240 avg price pharma-grade product	73%	79%	83%	94%	100%
Revenue	$ 52,500,000	$ 57,000,000	$ 60;000,000	$ 67,500,000	$ 72,000,000
Gross Profit ($)	$ 28,412,000	$ 32,912,000	$ 35,912,000	$ 43,412,000	$ 47,912,000
Gross Margin (%)	54.1%	57.7%	59.9%	64.3%	66.5%
EBITDA ($)	$ 21,401,000	$ 25,766,000	$ 28,676,000	$ 35,941,000	$ 40,315,000
EBITDA Margin (%)	40.8%	45.2%	47.8%	53.2%	56.0%
Operating (EBIT) Income ($)	$ 19,616,000	$ 23,643,000	$ 26,328,000	$ 33,041,000	$ 37,068,000
Operating (EBIT) Margin (%)	37.4%	41.5%	43.9%	48.9%	51.5%
Pre-Tax Profit ($)	$ 18,032,000	$ 22,060,000	$ 24,745,000	$ 31,457,000	$ 35,485,000
Pre-Tax Margin (%)	34.3%	38.7%	41.2%	46.6%	49.3%

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Table based on Phase I economics. To account for higher or lower commissions, decrement/increment EBITDA, operating and pre-tax margins by the change. Gross margins would remain unchanged.

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June 30, 2008

VIA E-MAIL

Johnson Liu
22308 Cairnloch Street
Calabasas, CA 91302

Re: Summary of Work Performed

Dear Johnson Liu:

Per your request, I write to summarize the tasks performed on behalf of Mamtek International, Ltd. ("Mamtek") by Perkins Coie, LLP ("Perkins"), including: (1) filing and prosecuting patent applications; and (2) evaluating Tate & Lyle's sucralose patent portfolio in the United States.

(1) On behalf of Mamtek, Perkins has filed and is prosecuting two process applications entitled "Process for the Preparation of Sucralose by the Chlorination of Sugar with Triphosgene (BTC)," which is directed to a method to prepare sucralose-6-acylate through chlorinating sucrose-6-acylate by BTC for use in sucralose preparation, and "Process for the Preparation of Sucrose-6-Ester by Esterification in the Presence of Solid Superacid Catalyst," which is directed to a process of making sucrose-6-ester from sucrose by transesterification in the presence of a solid super acid catalyst such as SO_4^{2-}-TiO_2/Al_2O_3 or SO_4^{2-}-TiO_2, in Taiwan, Thailand and the United States. Please note that the pending PCT applications for these applications, as discussed, below, allow Mamtek to pursue national stage applications in any appropriate PCT member countries before the April 25, 2009 national phase due date.

The U.S. Patent and Trademark Office ("USPTO") assigned Application Serial Nos. 11/552,789 and 11/552,813, respectively, to the two applications. In addition, the Thailand Patent Office assigned Application Serial Nos. 0701005349 and 0701005348, respectively, and the Taiwan Patent Office assigned Application Serial Nos. 096139365 and 096139366, respectively, to the two applications. No substantive Office Action has been taken by USPTO and the Thailand Patent Office to date. In Taiwan, the request for examination for both applications is due by October 19, 2010.

Perkins also filed two corresponding PCT applications of the above-mentioned process applications (PCT/US07/82422 and PCT/US07/82424, respectively). We recently have received the International Search Report and the Written Opinion of the International Searching Authority for these PCT applications. In brief, all of the currently pending claims are deemed unpatentable by the International Searching Authority. Please note that the scope of the currently pending claims of the two applications is broad. It is not uncommon that prior art references identified by the International Searching Authority may limit the scope of the claims of an application. We have reviewed the search reports, including the references cited in the search reports, and believe that, with proper amendments and arguments, the rejection of the claims will be overcome. We are in the process of preparing the responses and amendments to the search reports.

The due date for amending the claims in response to the search report for the PCT/US07/82422 application is July 16, 2008, and for the PCT/US07/82424 application is July 20, 2008. The due date for filing a response to the written opinion and a demand for international preliminary examination for both applications is August 25, 2008. Finally, the 30-month deadline for filing the national and regional applications in PCT member countries for both PCT applications is April 25, 2009.

(2) Prior to the filing of the above-mentioned applications, we reviewed the Tate & Lyle's sucralose patent portfolio in the United States ("the T&L patents"), namely, U.S. Patent Nos. 7,049,435, 7,018,667, 6,998,480, 6,943,248, 6,939,962, 6,890,581, 6,809,198, 5,932,720, 5,747,091, 5,449,772, 5,440,026, 5,380,541, 5,270,460, 5,141,860, 5,136,031, 5,128,248, 5,061,320, 4,977,254, 4,927,646, 4,920,207, 4,918,182, 4,915,969, 4,889,928, 4,826,962, and 4,751,294. At that time, and presently, we believe that the Mamtek technology described in the above mentioned two process applications is patentable over the T&L patents.

Very truly yours,

Michael J. Wise

MJW:DF

LEGAL14436159.1

Capital Investment Efficiency: Tate & Lyle v. Mamtek

Below are citations quantifying the capital investment required for Tate & Lyle's (T&L) most recent manufacturing construction so that these figures can be compared to Mamtek's.

Summary of citations: Original T&L capacity in Alabama (their sole facility at the time) was less than 700 metric tons. A company announcement in the same time period proposes expansion of this plant to 1400 MT, at most. When T&L announces the new Singapore plant, it claims this capacity will be 2/3 of the expanded Alabama facility, which is equal to 1000 metric tons. A separate release by the Singapore government confirms that T&L spent at least of $208M in (US $) construction costs for the 1000 ton capacity. (Note that we reference the Alabama facility as an analytic device so that we can "solve for" the Singapore capacity. The US factory has in fact been totally abandoned by T&L.)

Capital investment comparison:

	T&L (Singapore)	Mamtek (US)
Capital for construction:	$208 million	$32.25 million (est.)
Total capacity output:	1000 metric tons	300 metric tons
Dollars per metric ton:	$208,000	$107,500
Ratio:	194% of Mamtek investment	52% of T&L investment

Note table does not account for lower costs for T&L to build in Singapore vs. US.

CITATIONS & ANALYSIS

1. Original sucralose production, in Alabama only, placed at a maximum of 700 MT: "Tate & Lyle in 2005 announced plans to triple the production capacity of sucralose to 2,000 metric tons/year by... constructing a new grassroots facility in Singapore."

   Bray, Ronald G., "Sucralose Production Via the Sucrose-6-Acetate Route," November 2006. http://www.srlconsulting.com/PEP/Public/Reports/Phase_2006/RW2006-4/RW2006-4.html

2. Alabama plant proposed to be at most 1400 MT following expansion: "During 2004, Tate & Lyle announced two expansion projects to this plant (Alabama). On completion, these two projects will more than double output capacity compared with that achieved at the time of Tate & Lyle's acquisition."

   Tate & Lyle Press Office: November 24, 2004, "Tate & Lyle to Build New Sucralose Plant in Singapore."

3. Singapore plant later set by T&L at 2/3 expanded Alabama plan = 900 to 1000 MT, rather than earlier announcement: "Tate & Lyle PLC announced today that a new.. sucralose manufacturing plant is to be built in Singapore... Once fully operational, the Singapore plant will have a capacity two-thirds of that at the expanded Alabama facility."

   Tate & Lyle Press Office: November 24, 2004, "Tate & Lyle to Build New Sucralose Plant in Singapore."

4. Following major work in construction, capital costs for project as released by Singapore government are $208M: "The Tate and Lyle plant which commenced operations in April 2007 ... [costs] some S$300 million equal to US$208 million, the facility then represented the company's largest investment in Asia."

   http://www.sedb.com/edb/sg/en_uk/index/news/articles/singapore_s_consumer.html, "Singapore's consumer industry sees steady growth," September 3, 2009.

From:	Golden, Mike
Sent:	Friday, June 04, 2010 8:06 AM
To:	Havener, Greg
Subject:	FW: Mamtek USA Financial Information
Attachments:	8Hunan FDA Lab Test-092009-p1.jpg; 8Hunan FDA Lab Test-092009-p2.jpg; Mamtek US Financial Statements MO_Interim_April25a.xls; 5Mamtek_Letter_Holden.pdf; 5Sen Bond support of Mamtek.pdf; 6Quantification of Mamtek capital investment efficiency.pdf; 7Makymat Sucralose.pdf; 7nutrasweet letter.pdf; 8Namar Foods mouth taste test.pdf; 9Merck sucralose for pharamaceutical applications.pdf; 9Sucralose_market_report.pdf; Mamtek Intl - Overview for State Government.pdf

Greg,

Her are s load of documents I got from Corey Mehaffy who is the President of the Moberly ED. I've got another load in a next e-mail. Hopefully there is some background information you can use for your write-up.

From: Corey Mehaffy [mailto:cmehaffy@moberly-edc.com]
Sent: Thursday, June 03, 2010 6:31 PM
To: Golden, Mike
Subject: FW: Mamtek USA Financial Information

Corey J. Mehaffy
Moberly Area Economic Development Corporation

From: Thomas Smith [mailto:tom@cb-da.com]
Sent: Tuesday, April 27, 2010 12:33 AM
To: Corey Mehaffy
Subject: Fwd: Mamtek USA Financial Information

Corey,

FYI, see below. The attached financials are very detailed. I believe we have enough information to pursue the USDA "pre-application" review. THe key element is to idnetify a local banking institution that can support the "lead" in pursuing the USDA guaranteed loan.

Recognizing that more information will be required, I sincerely believe that if Moberly could arrange financing, Mamtek would immediately commit to locate there.

Thanks!

Tom

---------- Forwarded message ----------
From: **Thomas Smith** <tom@cb-da.com>
Date: Tue, Apr 27, 2010 at 1:27 AM
Subject: Mamtek USA Financial Information
To: "Moore, Matt - Columbia, MO" <matt.moore@mo.usda.gov>, "Shea, Lynne" <lynne.shea@ded.mo.gov>, "Maglich, Terry" <terry.maglich@ded.mo.gov>
Cc: "Reena B. Gordon" <rgordon@mamtek.com>, Bruce <bcole@mamtek.com>

Terry, Lynne, Matt;

I appreciate the effort you put into reviewing the State's proposals to support Mamtek's consideration of Mexico, Moberly and Sedalia. After we broke up, we had dinner with Governor Holden and he was very supportive of Missouri.

Based upon what we know now, the total project cost has grown to greater than $40,000,000. However, Mamtek is going to absorb costs that exceed the $25M USDA backed loan threshold. Based upon our internal conversations this evening, it is readily apparent that any one of the communities in Missouri can support the Mamtek project. This weeks meetings will enable us to prioritize potential sites. However, the key enabler of success will be financing. I believe that Mamtek will commit to the first community that can facilitate the financing...

Attached are the extensive pro forma financials that represent to current project and planned growth in Missouri. The financials will be adjusted to reflect the $25M USDA loan service in lieu of a $27.25M IRB.

I am hopeful that the attached information is sufficient to support the USDA pre-application process. I have included a range of documents that support the business strategy.

The formal business plan is being completed over the course of the next two week. I am hopeful that the "Mamtek Overview for State Government" is sufficient to act as an Executive Summary to support the pre-application review. **Matt**, I'm hopeful that you can review it and let me know of any additions/improvements that you would recommend.

As we meet with the communities, we will be looking to identify the lead bank that will actually service the loan and lead the application process.

Again, thanks for facilitating the briefing today, and we're looking forward to the community visits this week.

Tom

--

Thomas A. Smith
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--

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中国检验认证集团湖南有限公司
CHINA CERTIFICATION & INSPECTION GROUP HUNAN CO.,LTD.

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证书号码：
日期：

检 验 证 书

INSPECTION CERTIFICATE

报 告 编 号：G091521-2　　报 告 日 期：2009.9.14　　共 2 页　第 1 页
Report NO: G091521-2　　Report Date: 2009.9.14　　page 1 of 2

委托人（Consignor）：武夷山药特科食品有限公司（Wuyishan Maotek Food CO., LTD.）

样品名称：三氯蔗糖 Sample Name : Sucralose	样品代码：G091521-2 Sample Code:
送样方式：自送 Sample Delivery: Customer Delivery	生产批号：N/A Batch Number:
样品形态：白色晶状粉末 Sample Form: White Crystalline Powder	生产日期：2009.08.20 Production Date:
商　　标：N/A Brand Name:	检验日期：2009.08.28 Inspection Date :
样品规格：N/A Specification:	抽样地点：N/A Sample Place:
样品数量：20 gram Sample Quantity:	抽样时间：N/A Sample Date:
样品状态：密封包装良好 Sample State: Sealed, Airproof Packing	检验环境状况：25°C 80 RH Test Condition:
抽样基数：N/A Sample Radix:	执行标准：FCCIV Executive Standard:

检验依据：JECFA 添加剂指南，FNP,5/REV.2(1991)
Inspection Standards: JECFA Food Additive Specification Manual, FNP,5/REV.2 (1991)

检验结果 Inspection Results:

检测项目 Inspection Item	检测结果 Test Result	检测指标 Test Limit	检测方法 Test Method
主含量 Assay	99.1%	98%-102%	HPLC-ELSD
甲醇 Methanol	未检出（检测低限0.01%） Not Detected(test limit 0.01%)	≤0.1%	中国药典 2005 版 CHINA Pharmacopoeia 2005 edition

工商注册号码：430000100581G

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检验结果 Inspection Results:

检测项目 Inspection Item	检测结果 Test Result	检测指标 Test Limit	检测方法 Test Method
重金属（以Pb计） Heavy Metals	<10mg/kg	≤10mg/kg	GB/T5009.74-2003
灼烧残渣 Sulfated Ash	0.40%	≤0.7%	GB/T5009.4-2003
水分 Water	0.37%	≤2%	GB/T5009.3 2003

检验员：
Inspector:

审核人：
Auditor:

授权签字人：
Authorizod signatory:

Mamtek USA Balance Sheet

	Opening	Jul-10	Aug-10	Sep-10
Current Assets				
Cash and Cash Equivalents	$ 7,200,000	$ 38,237,358	$ 22,024,717	$ 13,759,715
Accounts Receivable	$ -	$ -	$ -	$ -
Inventories	$ -	$ -	$ -	$ -
Other Current Assets	$ -	$ -	$ -	$ -
Total Current Assets	$ 7,200,000	$ 38,237,358	$ 22,024,717	$ 13,759,715
Land		$ 325,000	$ 325,000	$ 325,000
Property Plant and Equipment	$ -	$ -	$ 16,125,000	$ 24,187,500
Less: Accumulated Depreciation	$ -	$ -	$ -	$ -
Land, Property Plant and Equipment	$ -	$ 325,000	$ 16,450,000	$ 24,512,500
Total Assets	$ 7,200,000	$ 38,562,358	$ 38,474,717	$ 38,272,215
Current Liabilities				
Accounts Payable	$ -			
Current Portion of Long-Term Debt	$ -			
Industrial Revenue Bond 1	$ -	$ 1,346,381	$ 1,346,381	$ 1,346,381
Neighborhood Improvement District Bond 1	$ -	$ 234,255	$ 235,183	$ 236,114
Industrial Revenue Bond 2		$ -	$ -	$ -
Industrial Revenue Bond 3	$ -	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ -	$ -	$ -	$ -
Neighborhood Improvement District Bond 3	$ -	$ -	$ -	$ -
Total Current Liabilities	$ -	$ 1,580,636	$ 1,581,564	$ 1,582,495
Non-Current Portion of Long-Term Debt				
Industrial Revenue Bond 1	$ -	$ 26,011,484	$ 26,119,775	$ 26,228,495
Neighborhood Improvement District Bond	$ -	$ 4,746,645	$ 4,726,542	$ 4,706,359
Industrial Revenue Bond 2	$ -	$ -	$ -	$ -
Industrial Revenue Bond 3	$ -	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ -	$ -	$ -	$ -
Neighborhood Improvement District Bond 3	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ 32,338,765	$ 32,427,881	$ 32,517,349
Common Stock	$ 7,200,000	$ 7,200,000	$ 7,200,000	$ 7,200,000
Retained Earnings	$ -	$ (976,406)	$ (1,153,164)	$ (1,445,135)
Total Shareholders Equity	$ 7,200,000	$ 6,223,594	$ 6,046,836	$ 5,754,865
Total Liabilities and Shareholders Equity	$ 7,200,000	$ 38,562,358	$ 38,474,717	$ 38,272,215

Mamtek USA Balance Sheet

	Oct-10	Nov-10	Dec-10
Current Assets			
Cash and Cash Equivalents	$ 4,406,349	$ 2,835,162	$ 407,487
Accounts Receivable	$ -	$ 2,062,500	$ 6,187,500
Inventories	$ 146,459	$ 146,459	$ 146,459
Other Current Assets	$ -		
Total Current Assets	$ 4,552,808	$ 5,044,122	$ 6,741,446
Land	$ 325,000	$ 325,000	$ 325,000
Property Plant and Equipment	$ 32,250,000	$ 32,250,000	$ 32,250,000
Less: Accumulated Depreciation	$ (310,668)	$ (621,337)	$ (932,005)
Land, Property Plant and Equipment	$ 32,264,332	$ 31,953,663	$ 31,642,995
Total Assets	$ 36,817,140	$ 36,997,785	$ 38,384,441
Current Liabilities			
Accounts Payable			
Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 1,346,381	$ 1,346,381	$ 2,692,762
Neighborhood Improvement District Bond 1	$ 237,048	$ 237,987	$ 238,929
Industrial Revenue Bond 2	$ -	$ -	$ -
Industrial Revenue Bond 3	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ -	$ -	$ -
Neighborhood Improvement District Bond 3	$ -	$ -	$ -
Total Current Liabilities	$ 1,583,429	$ 1,584,367	$ 2,931,690
Non-Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 26,337,646	$ 26,447,229	$ 25,210,864
Neighborhood Improvement District Bond	$ 4,686,097	$ 4,665,755	$ 4,645,332
Industrial Revenue Bond 2	$ -	$ -	$ -
Industrial Revenue Bond 3	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ -	$ -	$ -
Neighborhood Improvement District Bond 3	$ -	$ -	$ -
Total Liabilities	$ 32,607,172	$ 32,697,351	$ 32,787,886
Common Stock	$ 7,200,000	$ 7,200,000	$ 7,200,000
Retained Earnings	$ (2,990,032)	$ (2,899,566)	$ (1,603,445)
Total Shareholders Equity	$ 4,209,968	$ 4,300,434	$ 5,596,555
Total Liabilities and Shareholders Equity	$ 36,817,140	$ 36,997,785	$ 38,384,441

Mamtek USA Balance Sheet

	Jan-11	Feb-11	Mar-11
Current Assets			
Cash and Cash Equivalents	$ 42,312	$ 1,564,296	$ 34,752,389
Accounts Receivable	$ 8,250,000	$ 8,250,000	$ 8,250,000
Inventories	$ 146,459	$ 146,459	$ 146,459
Other Current Assets			
Total Current Assets	$ 8,438,771	$ 9,960,755	$ 43,148,848
Land	$ 325,000	$ 325,000	$ 325,000
Property Plant and Equipment	$ 32,250,000	$ 32,250,000	$ 32,250,000
Less: Accumulated Depreciation	$ (1,242,674)	$ (1,553,342)	$ (1,864,011)
Land, Property Plant and Equipment	$ 31,332,326	$ 31,021,658	$ 30,710,989
Total Assets	$ 39,771,097	$ 40,982,413	$ 73,859,837
Current Liabilities			
Accounts Payable			
Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 2,692,762	$ 2,692,762	$ 2,692,762
Neighborhood Improvement District Bond 1	$ 239,874	$ 240,824	$ 241,777
Industrial Revenue Bond 2	$ -	$ -	$ 23,451
Industrial Revenue Bond 3	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ -	$ -	$ 234,255
Neighborhood Improvement District Bond 3	$ -	$ -	$ -
Total Current Liabilities	$ 2,932,636	$ 2,933,586	$ 3,192,246
Non-Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 25,321,316	$ 25,432,205	$ 25,543,533
Neighborhood Improvement District Bond	$ 4,624,828	$ 4,604,243	$ 4,583,577
Industrial Revenue Bond 2	$ -	$ -	$ 27,334,413
Industrial Revenue Bond 3	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ -	$ -	$ 4,746,645
Neighborhood Improvement District Bond 3	$ -	$ -	$ -
Total Liabilities	$ 32,878,780	$ 32,970,034	$ 65,400,413
Common Stock	$ 7,200,000	$ 7,200,000	$ 7,200,000
Retained Earnings	$ (307,683)	$ 812,379	$ 1,259,424
Total Shareholders Equity	$ 6,892,317	$ 8,012,379	$ 8,459,424
Total Liabilities and Shareholders Equity	$ 39,771,097	$ 40,982,413	$ 73,859,837

Mamtek USA Balance Sheet

	Apr-11	May-11	Jun-11
Current Assets			
Cash and Cash Equivalents	$ 21,625,223	$ 7,971,016	$ 6,339,490
Accounts Receivable	$ 8,250,000	$ 8,250,000	$ 8,250,000
Inventories	$ 146,459	$ 146,459	$ 425,927
Other Current Assets			
Total Current Assets	$ 30,021,682	$ 16,367,475	$ 15,015,417
Land	$ 325,000	$ 325,000	$ 325,000
Property Plant and Equipment	$ 46,775,000	$ 61,300,000	$ 61,300,000
Less: Accumulated Depreciation	$ (2,174,679)	$ (2,485,348)	$ (2,856,395)
Land, Property Plant and Equipment	$ 44,925,321	$ 59,139,652	$ 58,768,605
Total Assets	$ 74,947,003	$ 75,507,127	$ 73,784,022
Current Liabilities			
Accounts Payable			
Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 2,692,762	$ 2,692,762	$ 2,692,762
Neighborhood Improvement District Bond 1	$ 242,734	$ 243,695	$ 244,660
Industrial Revenue Bond 2	$ 23,451	$ 23,451	$ 23,451
Industrial Revenue Bond 3	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ 235,183	$ 236,114	$ 237,048
Neighborhood Improvement District Bond 3	$ -	$ -	$ -
Total Current Liabilities	$ 3,194,130	$ 3,196,022	$ 3,197,921
Non-Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 25,655,302	$ 25,767,513	$ 24,533,787
Neighborhood Improvement District Bond	$ 4,562,828	$ 4,541,998	$ 4,521,085
Industrial Revenue Bond 2	$ 27,442,705	$ 27,551,425	$ 27,660,576
Industrial Revenue Bond 3	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ 4,726,542	$ 4,706,359	$ 4,686,097
Neighborhood Improvement District Bond 3	$ -	$ -	$ -
Total Liabilities	$ 65,581,506	$ 65,763,317	$ 64,599,466
Common Stock	$ 7,200,000	$ 7,200,000	$ 7,200,000
Retained Earnings	$ 2,165,496	$ 2,543,810	$ 1,984,556
Total Shareholders Equity	$ 9,365,496	$ 9,743,810	$ 9,184,556
Total Liabilities and Shareholders Equity	$ 74,947,003	$ 75,507,127	$ 73,784,022

Mamtek USA Balance Sheet

	Jul-11	Aug-11	Sep-11
Current Assets			
Cash and Cash Equivalents	$ 5,415,726	$ 4,491,962	$ 7,316,066
Accounts Receivable	$ 12,187,500	$ 16,125,000	$ 16,562,500
Inventories	$ 425,927	$ 425,927	$ 425,927
Other Current Assets			
Total Current Assets	$ 18,029,153	$ 21,042,889	$ 24,304,492
Land	$ 325,000	$ 325,000	$ 325,000
Property Plant and Equipment	$ 61,300,000	$ 61,300,000	$ 61,300,000
Less: Accumulated Depreciation	$ (3,227,442)	$ (3,598,489)	$ (3,969,536)
Land, Property Plant and Equipment	$ 58,397,558	$ 58,026,511	$ 57,655,464
Total Assets	$ 76,426,711	$ 79,069,400	$ 81,959,956
Current Liabilities			
Accounts Payable			
Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 2,692,762	$ 2,692,762	$ 2,692,762
Neighborhood Improvement District Bond 1	$ 245,628	$ 246,600	$ 247,576
Industrial Revenue Bond 2	$ 23,451	$ 23,451	$ 716,769
Industrial Revenue Bond 3	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ 237,987	$ 238,929	$ 239,874
Neighborhood Improvement District Bond 3	$ -	$ -	$ -
Total Current Liabilities	$ 3,199,828	$ 3,201,742	$ 3,896,981
Non-Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 24,641,559	$ 24,749,757	$ 24,858,384
Neighborhood Improvement District Bond	$ 4,500,089	$ 4,479,011	$ 4,457,848
Industrial Revenue Bond 2	$ 27,770,158	$ 27,880,175	$ 27,297,309
Industrial Revenue Bond 3	$ -	$ -	$ -
Neighborhood Improvement District Bond 2	$ 4,665,755	$ 4,645,332	$ 4,624,828
Neighborhood Improvement District Bond 3	$ -	$ -	$ -
Total Liabilities	$ 64,777,389	$ 64,956,016	$ 65,135,350
Common Stock	$ 7,200,000	$ 7,200,000	$ 7,200,000
Retained Earnings	$ 4,449,322	$ 6,913,383	$ 9,624,606
Total Shareholders Equity	$ 11,649,322	$ 14,113,383	$ 16,824,606
Total Liabilities and Shareholders Equity	$ 76,426,711	$ 79,069,400	$ 81,959,956

Mamtek USA Balance Sheet

	Oct-11	Nov-11	Dec-11
Current Assets			
Cash and Cash Equivalents	$ 10,140,169	$ 13,401,773	$ 43,688,104
Accounts Receivable	$ 17,000,000	$ 17,000,000	$ 17,000,000
Inventories	$ 425,927	$ 425,927	$ 425,927
Other Current Assets			
Total Current Assets	$ 27,566,096	$ 30,827,700	$ 61,114,031
Land	$ 325,000	$ 325,000	$ 325,000
Property Plant and Equipment	$ 61,300,000	$ 61,300,000	$ 91,300,000
Less: Accumulated Depreciation	$ (4,340,583)	$ (4,711,630)	$ (5,082,677)
Land, Property Plant and Equipment	$ 57,284,417	$ 56,913,370	$ 86,542,323
Total Assets	$ 84,850,513	$ 87,741,070	$ 147,656,354
Current Liabilities			
Accounts Payable			
Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 2,692,762	$ 2,692,762	$ 2,692,762
Neighborhood Improvement District Bond 1	$ 248,556	$ 249,540	$ 250,528
Industrial Revenue Bond 2	$ 716,769	$ 716,769	$ 716,769
Industrial Revenue Bond 3	$ -	$ -	$ 46,902
Neighborhood Improvement District Bond 2	$ 240,824	$ 241,777	$ 242,734
Neighborhood Improvement District Bond 3	$ -	$ -	$ 234,255
Total Current Liabilities	$ 3,898,911	$ 3,900,848	$ 4,183,951
Non-Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 24,967,440	$ 25,076,929	$ 23,840,469
Neighborhood Improvement District Bond	$ 4,436,602	$ 4,415,272	$ 4,393,858
Industrial Revenue Bond 2	$ 27,408,198	$ 27,519,526	$ 27,631,295
Industrial Revenue Bond 3	$ -	$ -	$ 54,668,827
Neighborhood Improvement District Bond 2	$ 4,604,243	$ 4,583,577	$ 4,562,828
Neighborhood Improvement District Bond 3	$ -	$ -	$ 4,746,645
Total Liabilities	$ 65,315,395	$ 65,496,152	$ 124,027,872
Common Stock	$ 7,200,000	$ 7,200,000	$ 7,200,000
Retained Earnings	$ 12,335,118	$ 15,044,918	$ 16,428,482
Total Shareholders Equity	$ 19,535,118	$ 22,244,918	$ 23,628,482
Total Liabilities and Shareholders Equity	$ 84,850,513	$ 87,741,070	$ 147,656,354

Mamtek USA Balance Sheet

	Jan-12	Feb-12	Mar-12
Current Assets			
Cash and Cash Equivalents	$ 16,756,747	$ 14,988,930	$ 13,992,234
Accounts Receivable	$ 17,000,000	$ 17,000,000	$ 23,562,500
Inventories	$ 425,927	$ 1,255,794	$ 1,255,794
Other Current Assets			
Total Current Assets	$ 34,182,674	$ 33,244,724	$ 38,810,529
Land	$ 325,000	$ 325,000	$ 325,000
Property Plant and Equipment	$ 121,300,000	$ 121,300,000	$ 121,300,000
Less: Accumulated Depreciation	$ (5,453,724)	$ (6,436,493)	$ (7,419,261)
Land, Property Plant and Equipment	$ 116,171,276	$ 115,188,507	$ 114,205,739
Total Assets	$ 150,353,950	$ 148,433,231	$ 153,016,267
Current Liabilities			
Accounts Payable			
Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 2,692,762	$ 2,692,762	$ 2,692,762
Neighborhood Improvement District Bond 1	$ 251,520	$ 252,515	$ 253,515
Industrial Revenue Bond 2	$ 716,769	$ 716,769	$ 1,403,265
Industrial Revenue Bond 3	$ 46,902	$ 46,902	$ 46,902
Neighborhood Improvement District Bond 2	$ 243,695	$ 244,660	$ 245,628
Neighborhood Improvement District Bond 3	$ 235,183	$ 236,114	$ 237,048
Total Current Liabilities	$ 4,186,830	$ 4,189,722	$ 4,879,121
Non-Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 23,945,497	$ 24,050,940	$ 24,156,800
Neighborhood Improvement District Bond	$ 4,372,359	$ 4,350,774	$ 4,329,105
Industrial Revenue Bond 2	$ 27,743,506	$ 26,509,780	$ 25,931,055
Industrial Revenue Bond 3	$ 54,885,410	$ 55,102,850	$ 55,321,151
Neighborhood Improvement District Bond 2	$ 4,541,998	$ 4,521,085	$ 4,500,089
Neighborhood Improvement District Bond 3	$ 4,726,542	$ 4,706,359	$ 4,686,097
Total Liabilities	$ 124,402,141	$ 123,431,511	$ 123,803,419
Common Stock	$ 7,200,000	$ 7,200,000	$ 7,200,000
Retained Earnings	$ 18,751,809	$ 17,801,720	$ 22,012,848
Total Shareholders Equity	$ 25,951,809	$ 25,001,720	$ 29,212,848
Total Liabilities and Shareholders Equity	$ 150,353,950	$ 148,433,231	$ 153,016,267

Mamtek USA Balance Sheet

	Apr-12	May-12	Jun-12
Current Assets			
Cash and Cash Equivalents	$ 12,995,539	$ 17,938,171	$ 7,080,265
Accounts Receivable	$ 30,125,000	$ 31,437,500	$ 32,750,000
Inventories	$ 1,255,794	$ 1,255,794	$ 1,255,794
Other Current Assets			
Total Current Assets	$ 44,376,333	$ 50,631,465	$ 41,086,059
Land	$ 325,000	$ 325,000	$ 325,000
Property Plant and Equipment	$ 121,300,000	$ 121,300,000	$ 121,300,000
Less: Accumulated Depreciation	$ (8,402,030)	$ (9,384,799)	$ (10,367,567)
Land, Property Plant and Equipment	$ 113,222,970	$ 112,240,201	$ 111,257,433
Total Assets	$ 157,599,303	$ 162,871,667	$ 152,343,492
Current Liabilities			
Accounts Payable			
Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 2,692,762	$ 2,692,762	$ 2,692,762
Neighborhood Improvement District Bond 1	$ 254,518	$ 255,526	$ 256,537
Industrial Revenue Bond 2	$ 1,403,265	$ 1,403,265	$ 1,403,265
Industrial Revenue Bond 3	$ 46,902	$ 46,902	$ 1,433,538
Neighborhood Improvement District Bond 2	$ 246,600	$ 247,576	$ 248,556
Neighborhood Improvement District Bond 3	$ 237,987	$ 238,929	$ 239,874
Total Current Liabilities	$ 4,882,035	$ 4,884,960	$ 6,274,533
Non-Current Portion of Long-Term Debt			
Industrial Revenue Bond 1	$ 24,263,080	$ 24,369,780	$ 23,130,522
Neighborhood Improvement District Bond	$ 4,307,349	$ 4,285,507	$ 4,263,579
Industrial Revenue Bond 2	$ 26,039,254	$ 26,147,880	$ 26,256,937
Industrial Revenue Bond 3	$ 55,540,317	$ 55,760,349	$ 54,594,618
Neighborhood Improvement District Bond 2	$ 4,479,011	$ 4,457,848	$ 4,436,602
Neighborhood Improvement District Bond 3	$ 4,665,755	$ 4,645,332	$ 4,624,828
Total Liabilities	$ 124,176,799	$ 124,551,658	$ 123,581,619
Common Stock	$ 7,200,000	$ 7,200,000	$ 7,200,000
Retained Earnings	$ 26,222,504	$ 31,120,009	$ 21,561,873
Total Shareholders Equity	$ 33,422,504	$ 38,320,009	$ 28,761,873
Total Liabilities and Shareholders Equity	$ 157,599,303	$ 162,871,667	$ 152,343,492

New: Merck Sucralose for pharmaceutical applications

In cooperation with Tate & Lyle, one of the world's leading manufacturers of food ingredients, Merck is launching an innovative sweetener for drugs: EMPROVE® Sucralose is a zero-calorie sweetener made from sugar and offering distinctive advantages over other sweeteners in terms of sweetness, taste, stability, and safety.

Your advantages:

- Reliable quality
- Superior product profile
- Excellent heat and process stability
- Complete EMPROVE® documentation

Our Sucralose Products:

- Sucralose granular suitable for use as excipient EMPROVE® exp NF
- Sucralose powder suitable for use as excipient EMPROVE® exp N

No more bitter pills: Innovative sweetener for pharmaceuticals

The proverbial "bitter pill" is a thing of the past – thanks to the innovative sweetener sucralose that is now available from Merck. Sucralose is 600 times sweeter than normal sugar, tastes like sugar, safe for consumers, and exceptionally well suited for various pharmaceutical applications.

Therefore, Merck has signed a global agreement with manufacturer Tate & Lyle to supply sucralose to pharmaceutical partners worldwide. Merck will also be responsible for instrumental analysis. Merck customers benefit not only from the extraordinary properties of sucralose, but also from Merck's proven technical expertise for formulation and its well-established sales network.

The perfect sweetener for pharmaceuticals

Sucralose has no calories, does not cause caries and dissolves easily. With its clean, pleasant and sugar-like taste, sucralose is the perfect sweetener for pharmaceutical applications, offering various advantages over conventional sweeteners. It is able to mask with equal ease bitterness and medicinal off-notes, offers great shelf and process stability, and is synergistic with fructose and corn syrups. Due to its high-intensity sweetness and its extraordinary pH and heat stability sucralose can be used in a wide variety of pharmaceutical formulations.

Wide range of application

It is suited for all applications where the goal is to mask the bitter flavor of medicine as efficiently as possible, for example in syrups, lozenges or chewable tablets. Particularly important applications are orally disintegrating tablets (ODT products) where good taste is a key factor for market success. Sucralose is also suitable for children, pregnant women and persons with diabetes or glucose intolerance.

Sucralose conforms to international pharma standards and is widely used in pharmaceutical products. The product has been approved by the FDA, is part of the U.S. Pharmacopoeia, and has been used in products approved by the European Medicines Agency as well.

Simplify your processes
Merck Sucralose is produced under cGMP conditions and will be distributed as part of Merck's successful EMPROVE® product range. EMPROVE® combines particularly high quality with comprehensive product documentation and excellent service.
Offering reliable quality, superior product profile, excellent heat and process stability, and complete documentation, EMPROVE® Sucralose from Merck can significantly simplify your production processes. It is available in 1kg and 10kg containers in pharma grade and in both micronised and granular form.

For more information, please contact us.

THE GLOBAL SUCRALOSE MARKET

By Susan Lea

October, 2009

Susan Lea is a market researcher and forensics analyst with more than three decades experience. Susan has a particular specialty in green technology, food ingredient industry and nutritional companies. She received her JD from the University of San Francisco and her MBA from the University of California at Berkeley.

INTRODUCTION

Sucralose is essentially a chemically modified sugar compound, but is 600 times sweeter than sugar. Unlike sugar, sucralose has no calories since the body does not recognize it as a carbohydrate, allowing it to pass thru the digestive system without being absorbed. At the same time, its derivation from sugar allows for a taste profile that is quite similar to that of sugar and avoids the aftertastes associated with other commonly used sugar substitutes.

Sucralose, predominantly marketed under the trade name of Splenda, is used as non caloric (diet) substitute for sugar and high fructose corn syrup in foods, beverages and medicines. Sucralose is also being used with increasing frequency as a substitute for commonly used sweeteners such as saccharine and aspartame because it is the only high intensity sweetener actually derived from sugar and has proven superior in taste, stability, shelf life and/or solubility. It has the further advantage over these artificial sweeteners in that it doesn't break down when it is heated, making it an ideal non-caloric sweetener for baked goods.

Sucralose can be used to create whole new categories of food and beverage products, such as reduced-calorie cookies, cakes, ice cream toppings, and fruit and pie fillings. It also can be used to expand markets for existing low-calorie products, such as jams and jellies, chewing gum, and carbonated soft drinks. Sucralose is also available in granulated form so as to measure cup for cup like sugar or is available blended with sugar and half sucralose, so it may be used in recipes requiring the ability to brown, raise, and activate yeast as sugar does.

Splenda's maker, Tate & Lyle (T&L) has been earning large margins on its sucralose business and still has been unable to satisfy the worldwide demand for the product.

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THE MARKET

According to recent T&L financial statements, the annual market for artificial sweeteners topped $1.1 Billion in just the US alone.

More recently the marketing firm Global Industry Analysts pegged the international market for artificial sweeteners at $6 Billion. A comprehensive study by Packaged Facts, a market research firm, reports that in 2008 the combined US market for artificial sweeteners and sugar exceeded $3.1 Billion.

Recent research shows that more than 180 million adult Americans are incorporating low-calorie, sugar-free foods and beverages into their meal plan as part of a healthy lifestyle. This mirrors a worldwide dietary phenomenon as consumers in the EU, China, India and Latin America are demonstrating a growing calorie consciousness, challenging food manufacturers to provide them with a wider selection of good-tasting, reduced calorie products. Because high intensity sweeteners are non-caloric and cost less per unit of sweetness than sugar or corn syrup, the food and beverage industry has responded by increasingly using artificial sweeteners in a range of products traditionally containing sugar or corn syrup.

According to market analysts Mintel, a total of 3,920 products containing artificial sweeteners were launched in the US between 2000 and 2005, including 1,649 products in 2004 alone. In the UK, for instance, it is extremely difficult to find any non-cola soft drinks in supermarkets which are not sweetened with artificial sweeteners.

Increased availability of sucralose would expand the market to provide products with improved taste, increased stability, lower manufacturing costs, and, ultimately, more choices for consumers. As will be discussed below in more detail, there is an enormous untapped market for sucralose that T&L is unable to currently satisfy and that it will be unable to satisfy even when it brings on its new capacity.

It is difficult to develop precise figures on the sucralose market because T&L is the only serious producer and therefore the market has been artificially constrained by the limits on their capacity. Based on estimated production and expansion plans announced by competing makers of Sucralose, world supply will lag behind current world demand for at least five (5) years. Estimated current world supply of Sucralose is 25-30% of current world demand.

It stands to reason that had there been more capacity, (1) more inroads could have been made into the present customer base of the competing synthetic sweeteners, and (2) more sales could have been made to those customers, currently sweetening with sucrose and corn syrup, that don't want to use traditional high intensity sweeteners such as saccharine or aspertame or that don't have an option to use any high intensity sweetener other than sucralose (e.g., due to PH conditions, temperature conditions in their baking processes, or shelf-life requirements). The decision by T&L to expand its Alabama plant and build a Singapore plant (a combined $208MM investment) was made in the company's 2004

fiscal year (the year ending March 31, 2004) based on market data that existed at that time. We know that since that time, the EU has approved Sucralose as a food additive, the market for sucralose has grown at a double digit rate, and thousands of new products have been introduced that contain sucralose.

An August 2009 report from Reuters indicates the following international per capita levels of soft drink consumption:

Country	Population	Consumption
United States	307 million	760 8oz. servings
Mexico	110 million	674 8oz. servings
Brazil	192 million	315 8oz. servings
Russia	142 million	149 8oz. servings
China	1.34 billion	39 8oz. servings

Using the blending ratio used in Splenda sweetened Diet Coke, i.e., 40 mg of sucralose mixed with 30 mg of other sweetener and adjusting for population size, the table below shows the potential total consumption of sucralose .

Country	Total 8 oz. Servings	Sucralose required (if 30% of total are diet beverages)
United States	233 billion	2800 tons
Mexico	74.1 billion	890 tons
Brazil	60.5 billion	725 tons
Russia	21.2 billion	253 tons
China	52.3 billion	627 tons

Factoring in the baked products, dairy products, the confectionary market, sweetened non-carbonated beverages, along with the carbonated beverages market, it is reasonable to conclude that the US market has a potential to exceed 3000 tons of sucralose. Moreover, the preceding figures do not take into account the substitution of sucralose for products currently sweetened with sugar of high fructose corn syrup.

The Chinese Market

In an interview last year Neville Isdell, Chairman and CEO of the Coca-Cola Company, projected that carbonated soft drink consumption in China will rise to 150 eight ounce servings per capita each year. China is already Coke's 4th largest market and if the prediction comes to fruition Chinese soft drink consumption will match or eclipse the US market. If the Chinese consumption of diet beverages begins to mirror the US proportion of diet/total carbonated drinks this would still amount to a potential market of more than 600 tons of sucralose. Again, this does not take into account the very substantial demand for a non-aspartame, non-saccharin sweetener for the dairy, baked goods and pharmaceutical/herbal medicine market.

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According to Chinese and international market studies, per capita consumption of sugar in China is approximately 10 kilograms/person, well below the average world per capita consumption of 22 kilograms. As the Chinese population develops increased disposable income and exposure to Western style foods, it is anticipated that per capita sugar consumption will increase. Moreover, it is now becoming more and more accepted in China that long term consumption of sugar leads to many maladies. According to current statistics there are at present 35 million diabetics in China, (with that number expected to rise to 45 million over the next 20 years) and 95 million Chinese suffer from high cholesterol. If replaced by sucralose, their collective sugar usage (based on replacing 10 Kg/person of sugared products), would amount to more than 2000 tons of sucralose.

A recent issue of the medical journal, The Lancet, indicates that approximately 18 million adults in China are obese, 137 million are overweight, and 64 million have metabolic syndrome-a condition where a number of risk factors for heart disease are present. Taken together (and undoubtedly there is some overlap between populations of diabetics, overweight and at-risk persons, etc,) this suggests that a good 10-20% of the Chinese population have a compelling health incentive to replace their current sugar intake with non-caloric alternatives. Also, as in the US, there is a sizable portion of the population (particularly among the younger city-dwellers) that is not at risk but nonetheless embraces non-caloric alternatives to sucrose based on health related reasons.

There may also be policy considerations militating in favor of official encouragement of sucralose use in China: Each ton of sucralose that replaces an equivalent amount of sugar consumption releases 400 Chinese acres from sugar cane production, making it available for other food/livestock consumption.

The Market Landscape

Finally, and independent of the discussion of artificial sweeteners, is the cost comparison between high intensity sweeteners and sugar. As demonstrated in the charts below, world sugar consumption of sugar has been steadily growing and now stands at approximately 150MM tons. As a result of the international trend toward removing subsidies for local producers (particularly in the US and the EU) the world wholesale price of sugar has been climbing and is now at approximately $.38/kg. Factoring for relative sweetness, this equates to a wholesale sucralose price of $228/kg. Retail prices for sugar are much higher where, for example, US supermarket chain Vons is offering online pricing of $6.39 for a 10 lb. bag of sugar (i.e., $1.41/kg). Given our projected cost of under $80/kg, the company will be well positioned to offer sugar users an opportunity to reduce their production costs, while at the same time affording them the marketing benefit of touting a pleasant tasting low-calorie alternative to their standard products.

Other factors pointing to enormous untapped capacity is the fact that in a mature economy such as the US, over 10 million tons of sugar is expected to be consumed this year, amounting to wholesale market in excess of $3.7 Billion. We know from T&L's figures that the high intensity sweetener market is approaching 30% of this figure (i.e., $1.1 Billion). As China begins to trend toward a fully developed economy, and if the

same correlation of high intensity sweetener consumption to sugar consumption is applied to the Chinese economy, then China's 10/kg per person sugar consumption could conceivably be complemented or supplanted by 3/kg per person in high intensity sweeteners (the equivalent of 6,000 tons of sucralose). Accordingly, it is believed that the potential of the Chinese market is enormous, that it is large enough to allow for several new players as well ongoing sales by T&L and other small Chinese producers. Currently, the worldwide market is grossly underserved by the current capacity shortage and that tremendous opportunity exists for substantial international sales.

Sucralose vs. Aspartame and Saccharin

The global market share for artificial sweeteners has been in flux. According to Global Industry Analysts, Aspartame now dominates the market over previous market leader saccharin and was expected to exceed $3 Billion in sales worldwide in 2008, representing a 50% market share. However, both Aspartame and Saccharin have been tainted by health controversies and remain problematic in the minds of consumers. In 1977 the US FDA required health warning labels be placed on saccharin (the requirement was rescinded in the last few years) and Aspartame continues to be dogged by controversy as to its safety. As an example, a study reported in the European Journal of Oncology in 2005 reported that Aspartame induces lymphomas and leukemias in rats. Sucralose has been subjected to testing as well but no serious studies have shown negative consequences. Serious supply issues have thus far prevented sucralose from increasing on the rapid gains it has made in the sucralose market, however in the US market, where reasonable supplies of sucralose has been made available it has rapidly eroded the market share of aspartame and saccharin, rising from minimal sales in 2000 to almost 25% of the US market in 2006. Current world supplies of competing artificial sweeteners, Aspartame and Saccharin, are 20-50% in excess of current world demand, and price reductions and dumping is occurring in the marketplace.

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COMPETITION

Tate & Lyle is the inventor of sucralose (under its Splenda label) and it is by far the largest producer of sucralose. In the last few years it has had tremendous difficulties in increasing its capacity. It had originally produced out of a single plant in Alabama that was supposed to have been doubled in size. In January 2007 it was due to complete a second plant in Singapore having about 2/3 of the capacity of its Alabama plant. After more than two additional years of tinkering in Singapore and after a cost run-up exceeding $200MM, T & L is now producing solely from Singapore and has mothballed its Alabama plant (writing off it $75MM expansion expense there). Direct market interviews confirm that T&L's Singapore/worldwide capacity is in the range of 1000 metric tons per year.

T&L's inability to generate increased levels of production has essentially frozen sucralose sales quantities at 2006 levels. Anecdotal reports and sources within the T&L distribution system indicate that their pricing is quite variable, depending on what the sucralose is being used for and on what part of the world they are selling to.

- For example, Tate & Lyle sells its product in China through a single distributor, Jebsen and Sons. Our understanding is that Jebsen had been allocated merely ten (10) tons per year for the entire China market, and that T&L is focusing its marketing effort and allocation of its production in the US and EU markets.

Additionally, we are aware of a few small sucralose producers in China (some of which are inter-related companies), ranging in capacity from a three hundred tons at one producer to 10 tons year (collectively, about 500 tons of capacity). They were recently successful in an ITC action brought by T&L and were found not to be infringing any existing T&L patents. Press statements from T&L imply that these producers are using outdated technology (e.g., the technology originally used in T&L's Alabama plant). Based on samples of their product that have been tested and otherwise evaluated, it appears that they face three sets of problems—either they are unable to consistently turn out product, or they are only able to produce a high intensity sweetener that does not meet the sucralose spec and therefore is not approved for use) or their product has an inferior sweetness profile and mouthfeel to Splenda.

The prevailing price for bulk sucralose is quite variable, depending on the use and the market. Our market research indicates that US prices are in the range $165/Kg (for large beverage company customers) to $250/kg (for baking industry users). EU prices are a bit higher than US prices and appear to be $200/Kg and up. Pricing in China ranges from $150-$250/kg depending on whether the product comes from T&L or from a domestic producer and depending on the quantity (some Chinese producers will fill spot orders at low prices to freeze out competition, but cannot afford to produce volume quantities at concessionary prices).

Beginning in fall 2005, food and beverage industry analysts began noting that Tate & Lyle would have less flexibility to increase prices on its Sucralose product because of the

expiration of important patents in 2005, 2006 and 2009, some of which patented technology involve its production process. Tate & Lyle have over 32 patents which affect Sucralose, but Tate & Lyle spokesmen had claimed in 2005-2006 that it is their "3rd Generation plant and expanding demand" that protected their market leadership. Now, Tate & Lyle claim it is their 4th Generation plant and long time relations to industry that protects their market leadership. Regardless of the expiration of its patents, Tate & Lyle announced In March 2005 that it could not take on new US customers and would have to prioritize existing customers until it completed the planned expansion to its Alabama, US plant and the opening of its new Asian plant, and, thus, increased its manufacturing capacity, because it simply "could not produce sufficient quantities of Sucralose to satisfy the demand".

- By April 2009, Coca Cola and PepsiCo announced that they "were looking to abandon" their plans to market beverages containing Sucralose. Chief marketing officers of both beverage giants indicated they were looking at stevia based sweeteners. Did Coca Cola and PepsiCo simply look elsewhere for a quality supply of zero to low calorie sweeteners as they were unable to obtain adequate supplies of Sucralose to go forward with the launch of a large roll out beverage containing Sucralose?

There are other Sucralose suppliers now engaged in marketing Sucralose, including Heartland Sweeteners in the US and Guangdong Food Industry Institute / L&P Food Ingredient Co. in China, after succeeding in costly lawsuits filed against them by Tate & Lyle. Tate & Lyle spent more than $15 Million USD prosecuting its case against Chinese manufacturers of Sucralose. Following the April 2009 final decision of the International Trade Commission ("ITC"), in which the ITC found there had been no infringement of the Tate & Lyle patents, three Chinese manufacturers of Sucralose publicized announcements of their planned expansion and aggressive marketing plans, none of which information has been verifiable.

In March 2009, JK Sucralose announced it intended to expand its capacity from 800 to 1100 metric tons. JK Sucralose claims it produced 200 metric tons of Sucralose in 2008. Niutang Chemical announced in June 2009 that it intends to expand its plant capacity from 300 tons to 500 tons within the next three years, and to 1000 tons by 2014. While Niutang Chemical remains silent on how much Sucralose it is producing, it reported that its sales of Sucralose tripled between 2007 and the end of 2008. Guangdong Food Industry Institute has branded its Sucralose as "Zueit", and has made a strategic partnership with Ingredient Specialties, Inc. of California, USA. All three of the Chinese companies impacted by the ITC decision have claimed that they expect much higher global demand for Sucralose and the need for increasing supply. Even Tate & Lyle has admitted that demand for Sucralose has been very strong since the "start of the calendar year" 2009.

There are two companies in India who have moved forward with limited production of Sucralose. One is Alkem Laboratories which has partnered with Dublin and Geneva based Fusion Nutraceutical. Fusion launched their Sucralose product in May 2008, and

the companies admit their Sucralose is manufactured using the expired Tate & Lyle patents. Alkem Laboratories announced that their plant has the capacity to produce ten metric tons per month. Sales of Alkem's Sucralose in the UK during 2007 were priced at about 130 English pounds per kilo.

The other Indian manufacturer of Sucralose is Pharmed Medicare. The CEO of Pharmed Medicare announced in January 2006 that Pharmed had been able to manufacture Sucralose using a process distinct from Tate & Lyle. However, Pharmed has had difficulty building a plant capable of manufacturing any commercial volume of its Sucralose, and admitted that making Sucralose on a commercial scale "is not easily transferable from the lab". In 2007, a year after announcing it could manufacture Sucralose, Pharmed Medicare admitted that it needed another year before it would see successful commercial production.

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HISTORY OF CHANGING MARKET TRENDS---SUGAR TO SUGAR SUBSTITUTES

By 1991, about 101,000,000 Americans were using low-calorie, sugar-free foods and beverages. 10 years later, in 2001, 163,000,000 Americans were doing so, and by 2007, the number of Americans using low-calorie, sugar free foods and beverages had increased to 194,000,000. Those numbers are based on the research of US-based, market research firm, Packaged Facts, who also claim that at least one-third (1/3) of US adults are on a weight-loss diet. In Packaged Facts' October 2008 study, "Trends in the US Market for Sugar, Sugar Substitutes and Sweeteners", they claim the global artificial sweetener market in 2008 was $3.1 billion USD, and predicted it would grow to $3.2 billion USD by 2012, pushed by all the weight-loss efforts of worldwide consumers, and this is without adjusting the figures for sales projections based on latent demand (i.e., Sales if Sucralose supplies were larger and/or sales if more manufacturers could have switched to Sucralose from caloric sweeteners). Information Resources, Inc. ("IRI") year 2008 consumer study for Tate & Lyle revealed that more than 70% of US households, an estimated 82 Million families, purchased foods and beverages showing the Sucralose branding, the "Splenda" logo, a registered trademark of McNeil Nutritionals, LLC.

Americans began using sugar substitutes when Saccharin was introduced in 1957. Aspartame, more commonly known as NutraSweet, was introduced to Americans in 1981, with new product beverage launches sweetened by Aspartame, or NutraSweet, occurring in 1983.

While Sucralose is an artificial sweetener, it begins with sugar or sucrose, and is the only sugar substitute that originates with sugar. Sugar is a commodity, traded both in its raw and refined states, and early in 2009, the news reported remarkable increases in the price of sugar, reaching its highest price since 1981. The 2008/09 sugar price increases are already "history" as the US Department of Agriculture forecasts total world sugar production for 2009/10 at almost 160 million tons, raw value, up more than 11 million tons from 2008/09. World consumption and government storage of sugar neatly matches world production. Various sugar producing countries are exporting and expected to export a total of more than 51 million tons of sugar in 2009/10. Brazil, Mexico, Australia, India, China and Thailand are typically net exporters of sugar, and all are affected by disparate yield rates, unusual dryness, excessive rainfall, severe cold, high freight rates, high oil prices, the global financial crisis and domestic ethanol demand. The Office of Global Analysis of the Foreign Agricultural Service Division of the US Department of Agriculture remains in constant study of the world production, sales and consumption of sugar and other commodities. The Office of Global Analysis can literally describe how much of India's cane production in 2008/09 was diverted to make alternative sweeteners, from which regions of India, and in which months of 2008 and its effect on world sugar supplies. When world sugar supplies move to a deficit, the price of sugar increases.

The governments of both China and India take measures to boost sugar production and consumption by guaranteeing reasonable returns to farmers using subsidized prices and government purchases for the national sugar reserves, and through tariffs or lack of tariffs

on imports, quotas and lack of quotas on imports and the control over the production and sale, domestically, of artificial sweeteners. China's Ministries of Commerce and Finance and its National Development & Reform Commission (NDRC) publish plans, generally in January, concerning the government's planned purchases for its national sugar reserves, pre-set purchase prices and various sugar production and consumption forecasts. China forecast a 5% increase in the consumption of natural sugar in 2009/10 due to the expected growth in China of its beverage and food processing sectors. However, China consumer studies show 10-20% of Chinese consumers searching for low calorie food and beverage alternatives. A Food Ingredients Trade Show held in Shanghai, China on June 23-25, 2009, focused on health and natural ingredients.

While the US population increased from almost 197 million in 1966 to almost 304 million in 2008, an increase of about 54%, the consumption of refined sugar decreased 21%, from a total of 97 million pounds in 1966 to only 66 million pounds in 2008. However, Americans in search of caloric sweeteners have been consuming corn sweeteners since 1966 in their foods and beverages so that by 2008, more than 69 million tons of corn sweeteners were consumed in the US. That trend has been followed worldwide. High fructose corn syrup, a caloric sweetener and sugar substitute, represents an average of 77% of the total corn sweeteners consumed in the ten (10) year period 1998-2008. Corn sweeteners are being changed to respond to the clear marketing trends demanding zero or low calorie foods and beverages. While corn sweeteners may result in reduced caloric intake over sugar, they simply do not satisfy the zero calorie and low calorie market trends.

In 2008, the US produced almost 9 million tons of high fructose corn syrup, and exported almost 700,000 tons of it. The US imports both raw and refined sugar, about one half of its annual 2,400,000 metric tons of imported sugar coming from Mexico in 2009. Through 2006, the US manufactured all of the Sucralose sold in the US, but Sucralose is now being manufactured outside the US. With a variety of Sucralose patent disputes being resolved at the end of April 2009, and Tate & Lyle closing down its US Sucralose manufacturing facility in Alabama in June 2009, manufacturers wishing to switch to Sucralose or launch new products which incorporate Sucralose must purchase Sucralose from high quality overseas Sucralose plants.

During the five (5) year period 1978-1982, which were the early years in the US for the substitution of artificial sweeteners for sugar in sugar containing products, the US Consumer Price Index showed that the price of artificial sweetener containing products remained constant with or in excess of the price of sugar containing products. During the ten (10) year period 1998-2008 and including the period January through May 2009, the price of products containing artificial sweeteners declined significantly as against the price of sugar containing products. With price and dieting concerns affecting usage, surveys are showing that more than 46% of US households are using sugar substitutes. With more than 90% of US consumers currently believing that they are living in a recession, more than 72% of consumers report that prices are affecting where they shop and what they buy (see primary research conducted in August 2008 and April 2009 by UK-based Datamonitor). I30

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Recently, in Europe (EU), domestic sugar producers were given government incentives to cut production, making EU food, confection and beverage manufacturers more dependent on imported sugar and sugar substitutes. Disruptions in the sugar market and pricing increases that occurred throughout 2008 for sugar could drive more EU manufacturers to use more artificial sweeteners. At the same time, Saccharin and Aspartame are losing market share in EU to Sucralose due to health scares and the increasing market trend toward healthy and functional food.

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SUMMARY AND LATEST DEVELOPMENTS

The global demand for sugar substitutes continues and grows as increasing numbers of consumers, worldwide, demand healthy, zero and low calorie foods and beverages.

Aspartame sales in North America, Latin America and Europe slipped dramatically after 2004, opening the door for Sucralose and other artificial sweeteners, especially in the beverage industry. Between 2004 and 2005, Merisant's sales in North America of Aspartame dropped 22%, dropped 20% in Europe and dropped 21% in Latin America. NutraSweet, Ajinomoto and SinoSweet have stepped into the gap left by former US Aspartame maker DSM, and sugar substitute manufacturers are exploring other sweeteners, including Tagatose and Stevia based products. Traditional makers of high fructose corn syrups, like Archer Daniels Midland Co., are rushing to add "no- and low-sugar and reduced calorie options".

Other companies, like Swiss-based Firmenich and San Diego, California based Senomyx are dealing with supply shortages and zero calorie market demands by promoting the use of flavor enhancers (a sweetness enhancing molecule which enhances the perception of sweetness), including their S2383 flavor enhancer for Sucralose, licensed in 2008. Bio-chem giant Mitsui & Co. has set up a Sorbitol plant in China. Meanwhile, McNeil Nutritionals has announced its expansion into and promotion of a product combining stevia and pure can sugar, branded Sun Crystals All-Natural Sweetener. Merisant's subsidiary, Whole Earth Sweetener Co. is producing, under partnership with PepsiCo, a stevia based product trade-named and branded, "PureVia".

On other fronts, the giant supermarket, Wal-Mart, has recently, as reported in the August 2009 issue of www.foodprocessing-technology.com, began selling to its retail customers, a Sucralose-identical product under the trade-name, "Altern" (is Altern short for Alternative?), from an as yet unknown source, for a price 30% less than the "Splenda" trade-named Sucralose product. Retail quantities of "Altern" are still too small to factor it in to world wholesale prices. A sweetener company with the capacity to produce a high quality Sucralose product in sufficient quantities will have a ready market with price determined by competing, higher demand over world supply and competing zero to low caloric, healthy sweetener products of sufficient available supply. Currently, pricing in the EU and the US is running $200-275/kilo, and the price in China is resting at approximately $200/kilo.

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Formal Education

J.D., 1978, USF,
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Selected Work Experience:

1974 *to Present*: Tax accounting, financial accounting, forensic fraud expert, Various Private clients, market researcher.
1978: Accounting, Taxation, Auditing, Ernst & Ernst.
1978 *to Present*: Attorney/ Litigator, Various Private business clients.
1991: General Counsel, Rural Cellular Mgt, responsible for all legal work to build out and manage 14 Rural Service Areas, Consultant to Cellular One, created nationwide licensing strategy and marketing plans for Cellular One.
1993: General Counsel, Snorex (anti-snoring medical devices), received two patents for news applications and improvements. Responsible for technology development, manufacturing, cross-licensing, marketing/sales, prototype and product testing, regulatory work, IP work, and analysis of markets.

RELEVANT WORK SPECIFICS

Market Researcher in green technology, food ingredient industry and nutritional companies.
Attorney/consultant to many start up, technology driven companies, including sports and nutritional companies, reviewing and assisting with market analysis.
Preparer of Private Placement Memorandums (PPMs), legal advisor, evaluating and completing necessary due diligence for hundreds of investments.
Experience analyzing recycling and green technology businesses.
Experience in product testing, prototype to final product manufacturing, distribution systems, marketing plans.
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THE GLOBAL SUCRALOSE MARKET
By Susan Lea

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CHRISTOPHER S. BOND
MISSOURI
COMMITTEES:
APPROPRIATIONS
SMALL BUSINESS
ENVIRONMENT AND PUBLIC WORKS
INTELLIGENCE

United States Senate

WASHINGTON, DC 20510-2503

March 19, 2010

Mr. Bruce Cole
Chairman
Mamtek International, Ltd.
3040 Motor Avenue
Los Angeles, CA 90064

Dear Mr. Cole

Thank you for your consideration of locations in Missouri for Mamtek's United States production facility. Missouri offers a pro-business climate, incentives and financing, infrastructure, a highly skilled workforce and quality of life. There are a range of communities that offer an attractive, long term home that will support Mamtek's growth. Missouri offers a number of tax credits and financing plans all designed to encourage successful businesses like Mamtek to locate here.

In the United States Senate, I serve as the Vice-Chairman of the U.S.-China Inter-Parliamentary Group and strongly support projects such as this that will increase trade, economic prosperity, and enhanced cultural ties between both Missouri and China. In St. Louis, The Midwest-China Hub Commission (MCHC) is working to facilitate an air freight and cargo service hub between the central United States and China via Lambert St. Louis International Airport. Subsequent to Missouri delegation visits to China to promote this project, it has received the strong political support and endorsement of Chinese officials, including Vice Premier Wang Qishan who led a reciprocal delegation to St. Louis in June 2008.

The potential location of Mamtek International in Missouri could serve as a model for successful commercial collaboration between Chinese and U.S. manufacturers and markets. It is a measurable example of how a working relationship between China and the Midwest can be mutually beneficial, creating jobs and opportunities in both countries.

I look forward to working with you and with the leadership of Mamtek International in support of locating in Missouri.

Sincerely,

Christopher S. Bond

MAKYMAT

INNOVACIÓN • CALIDAD • SERVICIO

February 17, 2010

Mr. Ely Malkin
President
Mamtek International Limited
3040 Motor Ave.
Los Angeles, CA 90064

Dear Ely,

I wanted to write you to re-confirm our interest in your sucralose. As I have indicated to you, we are a leading company in the Mexican food ingredient sector and presently purchase sucralose from China in one ton containers. However, our Mexican customers have a strong preference for product that is produced in North America. If you were to set up manufacturing operations in either the U.S. or Mexico we would anticipate a market in the vicinity of 40 metric tons per year, dependent on quality and pricing.

I look forward to discussing this with you further as your factory comes closer to completion.

Sincerely,

F. Xavier Milke García
General Manager

Capital Investment Efficiency: Tate & Lyle v. Mamtek

Below are citations quantifying the capital investment required for Tate & Lyle's (T&L) most recent manufacturing construction so that these figures can be compared to Mamtek's.

Summary of citations: Original T&L capacity in Alabama (their sole facility at the time) was less than 700 metric tons. A company announcement in the same time period proposes expansion of this plant to 1400 MT, at most. When T&L announces the new Singapore plant, it claims this capacity will be 2/3 of the expanded Alabama facility, which is equal to 1000 metric tons. A separate release by the Singapore government confirms that T&L spent at least of $208M in (US $) construction costs for the 1000 ton capacity. (Note that we reference the Alabama facility as an analytic device so that we can "solve for" the Singapore capacity. The US factory has in fact been totally abandoned by T&L.)

Capital investment comparison:

	T&L (Singapore)	Mamtek (US)
Capital for construction:	$208 million	$32.25 million (est.)
Total capacity output:	1000 metric tons	300 metric tons
Dollars per metric ton:	$208,000	$107,500
Ratio:	194% of Mamtek investment	52% of T&L investment

Note table does not account for lower costs for T&L to build in Singapore vs. US.

CITATIONS & ANALYSIS

1. Original sucralose production, in Alabama only, placed at a maximum of 700 MT: "Tate & Lyle in 2005 announced plans to triple the production capacity of sucralose to 2,000 metric tons/year by... constructing a new grassroots facility in Singapore."

   Bray, Ronald G., "Sucralose Production Via the Sucrose-6-Acetate Route," November 2006. http://www.sriconsulting.com/PEP/Public/Reports/Phase_2006/RW2006-4/RW2006-4.html

2. Alabama plant proposed to be at most 1400 MT following expansion: "During 2004, Tate & Lyle announced two expansion projects to this plant (Alabama). On completion, these two projects will more than double output capacity compared with that achieved at the time of Tate & Lyle's acquisition."

   Tate & Lyle Press Office: November 24, 2004, "Tate & Lyle to Build New Sucralose Plant in Singapore."

3. Singapore plant later set by T&L at 2/3 expanded Alabama plan = 900 to 1000 MT, rather than earlier announcement: "Tate & Lyle PLC announced today that a new.. sucralose manufacturing plant is to be built in Singapore... Once fully operational, the Singapore plant will have a capacity two-thirds of that at the expanded Alabama facility."

   Tate & Lyle Press Office: November 24, 2004, "Tate & Lyle to Build New Sucralose Plant in Singapore."

4. Following major work in construction, capital costs for project as released by Singapore government are $208M: "The Tate and Lyle plant which commenced operations in April 2007 ... [costs] some S$300 million equal to US$208 million, the facility then represented the company's largest investment in Asia."

   http://www.sedb.com/edb/sg/en_uk/index/news/articles/singapore_s_consumer.html, "Singapore's consumer industry sees steady growth," September 3, 2009.

Namar Foods
CUSTOM DRY BLENDING & PACKAGING

The following mouth taste test were performed solely for the benefit and internal use of NAMAR, and is not intended or authorized to be relied upon by any third party.

Blind Test March 3, 2010

Two formulas using Sucralose were chosen as controls for the blind taste test.

Labeled

- Control #1 Vanilla Latte
- Control #1 Mocha

We replaced the Sucralose from each formula with Mamtek SweetØ.

Labeled

- #2 Vanilla Latte with Mamtek SweetØ
- #2 Mocha Mamtek SweetØ

Each formula was then mixed using a ratio of 20 grams to 4 oz of water. Both the control and the product with Mamtek SweetØ were poured into taster cups with marked labels on the bottom of the cups.

- C1V (control)
- C2V (w/ Mamtek SweetØ)
- C1M (control)
- C2M (w/ Mamtek SweetØ)

Results

Tasters could not tell the difference between two drinks and found them both comparable to the control.

MAMTEK INTERNATIONAL LTD. – PROJECT SUMMARY

The Opportunity

Mamtek International is looking to locate new production within the United States. The goal is to construct an expandable production facility, initially having five manufacturing lines that will employ 160+ people. Mamtek seeks a long-term, collaborative relationship with state government, to leverage a blend of grants, no-interest and subsidized loans, and tax credits, to enable rapid construction as well as the future growth of our U.S. facility.

Mamtek is committed to generating good, stable jobs. The initial team will consist of 140+ employees who are factory workers earning a base salary of $35,000 and total loaded compensation equal to ~$45,000 to include health care benefits. Another 12 supervisory roles will earn base salaries of $45,000 – $70,000. These jobs are "green", high-tech driven and long-term as they are embedded in an industry of tremendous demand and excellent margins.

Mamtek is a manufacturer and marketer of authentic sucralose: a healthy, environmentally-sound, no-calorie, no-carb high-intensity sweetener. Sucralose is a very low-cost alternative to sugar. It is superior to other sugar-alternatives, on essential dimensions, especially taste, shelf-life and stability as well as a lack of health concerns. Sucralose is approved by the US Food and Drug Administration as well hundreds of other FDAs worldwide.

Sucralose is a key ingredient in four global sectors – dairy, baking, beverage, pharmaceuticals – and a very wide range of end-products.

This is a multi-billion-dollar, high-growth market with extreme excess demand. The market has been dominated by a single large firm, Tate & Lyle (T&L), that has failed to meet ongoing supply challenges. In fact, T&L has been unable to increase production since 2006. Industry experts estimate that existing worldwide supply is just 25-30% of current demand.

Mamtek's position is made possible by its proprietary technology and manufacturing processes, which are considerably more efficient and less capital intensive than that of T&L. Margins are extremely robust: T&L reports operating cash flow (EBITDA) of 40%.

Many companies in the U.S. along with almost all companies in the rest of the Americas simply cannot secure sufficient sucralose to meet their consumers' growing preferences for health-conscious and weight-conscious product. Even companies with global presence have been unable to execute on new and lucrative product lines that sucralose makes possible and differentiates. As example, neither Coke nor Pepsi can as of yet roll out sucralose-only diet sodas, despite compelling health concerns and positive economics, and "recipes on the books".

Mamtek seeks to locate in the United States for two key reasons:

- First, customers and potential customers worldwide have told us that they are far more inclined to buy larger volumes and/or pay premium pricing for U.S.-manufactured sucralose. For some, this halo effect extends even to non-U.S. made product so long as we have significant U.S.-production ongoing.

- Second, Mamtek envisions expanding the U.S. manufacturing facility to serve as our base to supply all of the Americas including the United States, Canada, Mexico, Brazil, etc. "Made in the United States" allows us to meet NAFTA requirements.

Attractive Jobs and a Compelling Message

We offer your state what we hope are several compelling reasons for partnership:

1) ***Mamtek jobs are good jobs.*** We will pay a base salary of $35,000 for factory workers, plus a strong benefits package including health care. The average pay will $35,800 and the average loaded pay will be $46,175.

2) ***These jobs are high-tech driven.*** The proprietary technology that Mamtek invented, developed, verified and scaled is IP that allows us to alter the sugar molecule and convert it into sucralose. There is no other way to create the sucralose molecule. This high-tech process is also extremely hard to duplicate.

3) ***Mamtek jobs are sustainable over the long-term.*** With just 25- 30% of total demand filled, and mounting pressure on companies in our customer sectors to develop new tasty and affordable offerings that are weight- and health-conscious, sucralose is a booming business. Moreover, the parameters on this first Mamtek project are designed so that we can grow swiftly and substantially in the same location as our needs scale.

4) ***Mamtek jobs reverse the flow of sucralose-manufacturing jobs from Asia and back to the United States.*** One year ago T&L shuttered its US production and moved to Singapore, thus eliminating ~320 American jobs. Given that Mamtek's current facility is located in China, this is an opportunity to substantively reverse that job flow.

5) ***Our jobs are healthy and green.*** Only Mamtek's process is free of hazardous emissions. This is a claim the other sucralose manufacturer cannot make. Our process is also free of hazardous wastes.

6) ***Mamtek jobs create a healthy, green product for all Americans to enjoy.*** Sucralose is completely devoid of calories as well as carcinogenic/health concerns. Hundreds of scientific tests bear out these statements. Unlike T&L, no ammonia is used. Plus, making sucralose uses minimal water when compared to sugar.

7) ***Once we complete the financing, we will be employing Americans in your jurisdiction and delivering product within six months.*** That timeline covers the complete build-out, sourcing and training.

As an Appendix you will find an overview of the project, along with a jobs overview with compensation levels. The key project items are: land, building retrofit with electric and HVAC, production lines equipment and proprietary installation, hiring/training, initial operating cash.

There are numerous location-specific factors which can reduce or affect costs. Based upon current information, we estimate total investment at $35M.

Mamtek will team with state government, to secure a blend of grants, no-interest and subsidized loans, and tax credits. This will enable rapid construction of the U.S. facility and its future growth. It will also enable greater competitiveness vis a vis our China facility, where wages are lower, and the state has granted us the land and building, among other support.

We are enthusiastic that a strong relationship and development package will be set quickly.

Market Detail

Sucralose is a sugar-alternative approved by the U.S. Food and Drug Administration as well as hundreds of FDAs worldwide, representing all major European and Asian nations. It has broad use as an ingredient in four sectors world-wide: dairy, baking, beverage and pharmaceuticals. Industry buyers consider sucralose superior to other sugar-alternatives on essential dimensions, especially taste, shelf-life, solubility and stability. The benefits of sucralose include:

- Sucralose contains no calories and no carbohydrates, allowing companies to meet the accelerating demands of weight- and health-conscious consumers. Sucralose is not metabolized so that it passes through the body without being absorbed.
- At 600 times the sweetness of sugar, sucralose is significantly less costly to use than sugar.
- Sucralose bakes, cooks and stores like sugar but without any of the health concerns.
- Compared to chemical sweeteners such as aspartame and saccharin, sucralose has met hundreds of scientific studies all showing no carcinogenic or health issues whatsoever. Plus, unlike T&L, Mamtek's processing is free of ammonia and any hazardous substance.
- Compared to agricultural products (stevia), Mamtek's sucralose production can be scaled rapidly without specialized shipping or storage, and does not require extended land use.
- The low quantities of agricultural inputs required to produce sucralose means that its lifecycle water requirements are dramatically lower than those of sugar– a key environmental claim for leaders in some industries especially beverages.
- Its close taste to sugar and lack of after-taste, along with processing and storage stability at both high and low temperatures, render sucralose far more desirable in commercial, industrial and household applications than other sugar substitutes.
- In sum, sucralose provides a unique opportunity to improve existing low-calorie products and also develop new reduced-calorie product with good taste and attractive pricing.

Despite the usefulness of sucralose, its worldwide market is beset by continuous and extreme excess demand. The combined markets for sugar and sugar substitutes exceeded $3.1 Billion in the United States alone – a figure that excludes key nations such as Brazil, Russia, Mexico and China. Depending on world region, 30-50% of consumers make purchasing decisions that favor food and beverage products with zero to low calories and perceived healthy ingredients.

Critically, researchers observe that just 25-20% of total demand for sucralose is currently being supplied. This is a situation that will continue well into the new decade given the severe and ongoing production constraints faced by Tate & Lyle; in fact T&L has been unable to increase production since 2006. Other far-smaller suppliers, based in China and India, have been completely unable to duplicate authentic sucralose in bulk: Their products fail on a range of specifications, from mouth-feel to after-taste to batch consistency, and their quantity production is miniscule. Because it takes considerable lead-time to develop and optimize the technology and test the manufacturing to create the sucralose molecule at high levels of purity and in a fashion that does not infringe on prior patents, it is impossible for new players to come on-line in the next several years.

Mamtek's Position

Mamtek's entry into the market thus makes Mamtek only the second large-scale supply source for approved sucralose. Mamtek's product meets all FDA metrics, including safety and purity. It has also passed testing and taste metrics in a recognized U.S. food laboratory.

To do this, Mamtek developed and implemented a proven, game-changing manufacturing technology that is completely different than the approach used by T&L. This modular manufacturing technology is far more efficient than that of T&L, both in type and number of processes as well as in its reutilization of the most expensive chemical manufacturing input.

- Mamtek's proprietary and innovative technology enables the manufacture of sucralose continuously, flexibly and rapidly. The Mamtek process utilizes both hard-assets as well as chemical inputs far more efficiently and reliably than previously possible. With this foundation, we are equipped to provide a strong competitive and economic advantage to customers who seek to use sucralose as an ingredient in their current products and/or develop and sell new sucralose-based offerings.

As of December 2009, Mamtek had moved from development into manufacturing and sales. We have completed both an 18-ton pilot production line and a full-scale, fully-functional 60 ton line (metric tons per annum). Each step and detail in the manufacturing and operational processes have been verified independently by the international patent law firm Perkins Coie.

Further, we have finalized the strategic relationships necessary to deliver pharmaceutical-grade sucralose, which requires adherence to more exacting clean-room standards and certification.

In the few months since the start of 2010, contracts have been cemented for the delivery of 264 metric tons per annum for 3 years (totaling 792,000 kilos). *This alone equates to 88% of total output from five lines for their first three full years of production.*

Moreover, sales already cover 120 tons annually for years 4 & 5, or 40% of output into 2015.

The current contracts are with four companies: a food flavoring manufacturer and distributor; a dairy manufacturer; and, two pharmaceutical manufacturers and distributors. The smallest of these companies generates a minimum $100M annual sales.

Additional sales dialogs in five countries (U.S., Mexico, China, Korea, Australia) are moving forward, including a 300-ton contract in the final stage of negotiations. We have strong signs of interest from Makymat, a huge food-additive representative for Cargill and Grain Millers, and from NutraSweet, the 45-year global firm based in Chicago. Other talks in progress include Nestle, DANONE, two overseas bottler-distributors for Coca-Cola, and Pepsi North America.

For strategic customers, we offer the opportunity to "lock in" sucralose supply at extremely attractive long-term rates. We do not require a sole-source relationship; in fact, we understand from our conversations with customers that having two primary sucralose suppliers may be a great benefit.

Corporate Background

Mamtek International is a Hong Kong corporation founded, owned and run by U.S. citizens and U.S. permanent residents with deep expertise in manufacturing, engineering, food science, investments, procurement and sales on a global level.

Mamtek was launched five years ago, when senior market leaders from relevant industries outlined for us their accelerating need for sucralose against a backdrop of extreme pent-up demand, structural sourcing constraints and no new supplies anywhere on the horizon.

Management realized that, despite the ubiquity and utility that sucralose offers, it is "just" an ingredient, i.e. sucralose constitutes a relatively small percentage of overall cost in a wide range of end-products that include soft drinks, energy drinks, jams, jellies, cookies, muffins, gum, yogurts, ice-cream, medicines, and much more. It is sucralose that enables the branding and differentiation of these products as healthy, tasty and environmentally-sound.

Yet – just as sugar is sugar and salt is salt – sucralose itself does not require branding. Sucralose has been defined both chemically and on a purity basis by the U.S. FDA since it approved sucralose in 1998; FDAs throughout the world adopted the same set of standards. Thus, to be deemed "sucralose", the standard is the same the world-over. It is the molecular structure and purity of Mamtek's product that qualifies it as sucralose and allows it to meet the stringent scientific requirements for this classification.

Our first steps were to secure and perfect the technology to convert the sugar molecule into sucralose, and propel Mamtek's efficient and elegant manufacturing processes. The technology and processes we invented, optimized and verified are easily scalable, with unit production costs below those of any other manufacturer, and plant costs and plant construction times far lesser than those of T&L. Relatively smaller production lines provide agility vis a vis sales, while substantially minimizing any possible future disruptions to production. There are no hazardous substances to manage during production and no hazardous waste products for disposal.

At the same time, Mamtek instituted top-tier IP protection systems and processes – because deep IP protection provides important structural defenses for the company's market position as customer commitments grow. Patents are filed in 51 countries worldwide; favorable guidance has been issued from the U.S. PTO, advising that first patents will be granted within months.

Next, we segregated out access to all trade secrets via a unique relationship with an independent engineering firm, Ramwell International. Ramwell is owned and run exclusively by the inventors of our technology, each of whom is a major shareholder in Mamtek. They established Ramwell specifically and solely for the purpose of conducting (under contract to Mamtek) all IP-intensive activities, thus assuring that this knowledge is kept apart from the factory and its daily activities. Ramwell's responsibilities include installing and maintaining Mamtek's turnkey production lines; training the labor force on QCQA and routine maintenance; continuing R&D to extract further manufacturing efficiencies; and on an ongoing basis, creating the mixture of inputs that becomes the starting batch for Mamtek's manufacture of sucralose.

As a springboard to the international marketplace, Mamtek chose to begin operations in China. We did so for three reasons.

First, like other densely populated nations at this stage of economic development, China is a "sleeping giant" in sucralose demand. 85% of T&L supply is directed into the United States, leaving just ~10 metric tons per year for China. Yet China's government is aggressively discouraging sugar use, for agricultural environmental and water reasons, as well as in an effort to address the growing weight-driven epidemics of obesity and diabetes. Chinese companies have approached Mamtek to discuss requirements totaling several thousands of metric tons per year – and that is in just the two months since production was announced.

Second, as many multinational firms can attest, manufacturing in China can be supervised to exacting standards while yielding excellent cost-advantages. Not only are plentiful skilled labor and good execution systems available; Chinese leaders court international manufacturers. Such support helped Mamtek in the rapid establishment and testing of our current lines now in Fujian Province. Mamtek has further secured an ongoing economic development package in Fujian.

Third, Mamtek's principals have been doing business in China since the mid 70s. This gives us an unusual ability to cultivate the high-level relationships required on three fronts: customers, suppliers and government. For example, we maintain close relationships with senior members of major Chinese banks, the Ministry of Health and the National Development and Reform Commission (NRDC) which is charged with implementing government development policies.

To deliver on current and pending contracts, Mamtek is moving rapidly to scale production. There are no special needs for shipping or storing sucralose (it has a shelf-life without refrigeration of two years), and all necessary inputs are widely available. Thus, in the interests of diversification, we recently began investigating additional locations outside of China – in other Asian nations, in Latin America and in the U.S., utilizing federal/state stimulus funds and the agency officials who direct their disbursement. *U.S.-made sucralose is the most desirable.*

Mamtek's modular manufacturing design assures that we establish new production in response to new demand, rather than investing substantial capital without sales visibility. Optimal flexibility assures that we ramp quickly, incrementally and at low capital requirements. Just 4 - 6 months are required to build any series of lines and move them into full-scale operation.

Next Steps

The quality of Mamtek's product (sweetness, mouth-taste, lack of after-taste and so forth) has been validated by an international food testing laboratory. We invite you to review the report and/or run your own tests. If you wish, you may also verify our plant processes, whether by reviewing the documentation or through talks with the international auditors.

We recognize the desire on all sides to move quickly. To this end, we are prepared to share letters of purchase from customers covering the output from the U.S. lines; letters of intent from potential customers interested in a source of U.S.-made authentic sucralose (of which there is none currently); letters of reference from our existing vendors; and a letter of reference from our bank. Of course we will also share project financials in relevant detail, once location-dependent issues can be fine-tuned.

We look forward to accelerating this project with your assistance and support. Please contact:

Bruce Cole, CEO & Chairman, 310-804-0416 / bcole@mamtek.com

Reena Gordon, COO 310-503-0280 / rgordon@mamtek.com

Thomas Smith, Government Relations 703-347-9702 / tom@cb-da.com

Attachments: Jobs Summary; Investment Summary

The NutraSweet Company
1762 Lovers Lane, Augusta, GA 30901
Telephone (800) 323-5321

March 8, 2010

Mr. Ely Malkin
President
Mamtek International Limited
3040 Motor Ave.
Los Angeles, CA 90064

Dear Ely,

Thank you for bringing me up to date regarding your progress in bringing Mamtek's sucralose to market.

As you are aware, the NutraSweet Company one of the largest food ingredient manufacturers in the US and is among the world's largest suppliers of aspartame. Our NutraSweet® brand sweetener is sold in more than 100 countries, is used in over 5000 products and is consumed by 250 million people worldwide.

Our company has ongoing sucralose requirements and is deliberating business opportunities that could potentially add to those requirements. In this regard, we would be most interested in the opportunity to source our sucralose from a US manufacturer.

Please continue to keep me apprised of your progress.

Sincerely,

William L. DeFer
President
The NutraSweet Company

Exhibit J

From:	Corey Mehaffy <cmehaffy@moberly-edc.com>
Sent:	Thursday, June 03, 2010 7:33 PM
To:	Golden, Mike; Maglich, Terry; Shea, Lynne
Cc:	'Tom Cunningham'; 'Corey Mehaffy'
Subject:	Mamtek USA

Greetings,

Tom Cunningham and I had a conversation this evening with Michael Wise of Perkins Coie to discuss the Mamtek International operation in China. Mr. Wise is the Patent attorney for Mamtek and has been to the plant in China on two separate occasions to verify information for Mamtek investors.

On his first visit Mr. Wise was able to observe the operation of an 18 ton production line in the plant that has been operational for several years. This line was established as a pilot following the development of the IP as the first step into full production and has been supplying Sucralose to a tea company that is co-located on site. In a second visit in November of 2009 Mr. Wise was able to observe a new 60 ton production line in operation.

Mr. Wise has done an independent evaluation of the production line and product for comparison with the patent documents that were filed on behalf of the company indicating a match. He has also compared the Mamtek IP to that of Tate and Lyle verifying it to be superior to the production of Tate and Lyle. Mr. Wise verified the process for production with the inventor first and then again independently with the plant engineer. Both processes were a match to each other as well as to the patent agreements.

Mr. Wise is also in possession of a "cookbook" and an actual tested sample of the Sucralose in his Shanghai office and has requested that both items be sent to the US for our independent analysis. Mr. Wise is also in possession of pictures of the equipment and process which he will forward for our review.

Mr. Wise has agreed to participate in a conference call with DED and MDFB representatives to share his knowledge of the Chinese facility if you so desire. If you would like to speak with Mr. Wise, I am happy to arrange a conference call at his convenience. I have included a link to Mr. Wise's bio from the Perkins Coie website for your review.

http://www.perkinscoie.com/mwise/

Corey J. Mehaffy
Moberly Area Economic Development Corporation
115 A North Williams P.O. Box 549
Moberly, Missouri 65270
Phone: 660-263-8811
Cell: 660-998-0097
Fax: 660-263-8883
www.moberly-edc.com

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Exhibit K

Route Guide | Station Guide | Train No. Query | Web Directory

Q From: To: Search

Official China Train Timetable from Shanghai South to Wuyishan

Train No.	Departs	Arrives	Duration	Distance (km)	Seat Fares (RMB)	Hard Sleeper Fares(RMB)	Soft Sleeper Fares(RMB)
K163	Shanghai South 12:16	Wuyishan 23:06	10h50m	683	92/-	163/168/174	250/261
2001	Shanghai South 17:23	Wuyishan 04:15	10h52m	683	82/-	152/157/163	239/250
K197/K200	Shanghai South 20:47	Wuyishan 05:47	9h	683	92/-	163/168/174	250/261

Rail Travel Notes:

1. Click on the train number to see if it's using your departure city as the first station because it's easier to buy & reserve tickets on original trains than that of passing-by trains.
2. Trains listed here run on daily basis. Train schedule is specified in China time and ticket price is quoted in Renminbi Yuan.
3. Beginning on August 22nd, 2011, advance ticket reservation period has been resumed to 10-11 days in major cities of China. China has busiest railway networks in the world, we advise you book your ticket in advance if you can.
4. Some train stations have same name in Chinese Pinyin, please check their extensions to differentiate them.
5. Our database updates on regular basis to make sure what you are getting is the most up-to-date information. Even though we try best to provide accurate ticket price information, we can't guarantee it's 100% correct.
6.

Contact Chinatrainguide.com | Book Hotels in China

Exhibit L

From:	Hemenway, Sallie
Sent:	Monday, June 07, 2010 12:32 PM
To:	Havener, Greg
Subject:	Re: BUILD/Mamtek Write-Up

Approved

From: Havener, Greg
To: Hemenway, Sallie
Sent: Mon Jun 07 11:39:22 2010
Subject: BUILD/Mamtek Write-Up

Good morning Sallie,

We will need to get your electronic approval for the BUILD recommendation for Mamtek, U.S., Inc.
I have attached the Write-Up and the Application. We are waiting on some of the original documentation.

Let me know if there is other information you require or any change you would like to make.

Thank you,

Gregory B. Havener, Incentive Specialist

Department of Economic Development
Division of Business and Community Finance
301 West High Street, Suite 770
P.O. Box 118
Jefferson City, MO 65102
(573) 526-3285
Fax (573) 522-4322
www.greg.havener@ded.mo.gov

Exhibit M

From: Shea, Lynne
Sent: Tuesday, June 22, 2010 10:19 AM
To: Li, Yan
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Yan
Not at this time. The City of Moberly has done research on the China facility.

Lynne

From: Li, Yan
Sent: Tuesday, June 15, 2010 10:54 AM
To: 'Edward Li'; Shea, Lynne
Cc: Desloge, Maria
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Hi, Lynne,
Would you please update the project to me please? Do you need me to meet these people? As Edward said he didn't find out any facility in Fujian Province. Is it possible that they have a facility under other name? Let me know if there is anything else we can do. Yan

From: Edward Li [mailto:edward.li@missourichina.com]
Sent: Monday, May 17, 2010 3:12 AM
To: Shea, Lynne
Cc: Li, Yan; Desloge, Maria
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Hi Lynne,

I've checked the two address you mentioned.

Hopewell Ctr. 183, Hong Kong

Hopewell Centre is a 64-storey business office building in Hong Kong. It is located at 183 Queen's Road East, in Wan Chai on Hong Kong Island. You can find that Hopewell Ctr. 183, Hong Kong is an incomplete address. We don't know if Mantek has a virtual office there or just a registration address for the business license, but one thing for certain is that it's not a manufacture plant.

We believe the full address is 27F, Hopewell Centre, 182 Queen's Road East, which indicated by the attached document. And we found 27F is a business centre, where Mamtek probably just used for registration. http://www.sbc.com.hk/English/Location/Location.htm

16/F, Cheung Kong Centre
2 Queen's Road, Central Hong Kong

This address is similar to the above. http://www.executivecentre.com/service-office-locations/serviced-offices-hong-kong-cheung.html
It's a business center which provides many small cubes to different companies.

So far, we didn't find any further information regarding another Mamtek's manufacture plant in China.

Regards,

Edward Li

From: Shea, Lynne [mailto:lynne.shea@ded.mo.gov]
Sent: 2010 年 5 月 13 日 23:45
To: Edward Li
Cc: Li, Yan
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Edward and Yan,
Good day! I am still working on the Mamtek Project. They are moving forward with their plans to locate a plant in Missouri.
I do have an additional address I would like to have checked and wanted to see if you had any additional info on this facility of the Fujiuan Province facility? The company states they are in production in China. Any information you can provide will be beneficial. Thank you.

Address:
Hopewell Ctr. 183
Hong Kong

Is there any additional information you could provide regarding the Fujian Province facility?

Lynne Shea
Project Manager
Missouri Department of Economic Development
301 E. High Street, Room 720
PO Box 118
Jefferson City, MO 65101
lynne.shea@ded.mo.gov
(573)751-5798 desk
(573) 751-7384 fax
(573) 694-2085 cell

From: Edward Li [mailto:edward.li@missourichina.com]
Sent: Tuesday, April 13, 2010 5:13 AM
To: Li, Yan
Cc: Desloge, Maria; Shea, Lynne
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri
Importance: High

Hi Yan,

According to the relevant info searching and some calling, we found that Mamtek is a originally a Hong Kong company, locates 183 Queens Road East 27/F, Hopewell Center, Hong Kong (CN).

The Board Chairman is Mr. BRUCE COLE
Vice Board Chairman, Legal Person: Mr. HO, David, Losan; (US). 何乐三
Vice Board Chairman, General Manager: Mr. WAN, Zhenghao; (CN). 万正豪

We found their plant in Fujian Province, China, never started to manufacture. In 2007, their investment project was approved by Wuyishan City, Fujian. As the initial agreement, local government build the factory and all facility for Mamtek, while Mamtek will rent the facility in the beginning and will finally purchase the facility. The planned investment capital is 20 million USD, which will be invested by three phases. In 2008, although most of the facility was built, Mamtek still didn't start manufacturing. One of the reasons is the protest from local conservation department, who insisted that the project is a kind of fine chemical industry, which should not be set in this zone. In 2009, Mamtek made the deal with local government and agreed to move out (they never started) and so far there is no other news about the new location in China.

I don't have time to translate all the attached information, please have a quick review and explain to Lynne if she has any questions.

Regards,

Edward Li

From: Li, Yan [mailto:yan.li@ded.mo.gov]
Sent: 2010年4月13日 2:28
To: Edward Li
Cc: Desloge, Maria; Shea, Lynne
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Edward,
Is there any way you can email me whatever you have digger out before you leave China? Lynne shall do the follow up. Yan

---

From: Edward Li [mailto:edward.li@missourichina.com]
Sent: Friday, April 09, 2010 7:01 AM
To: Li, Yan
Cc: Desloge, Maria
Subject: RE: Follow Up on Concepts for Mamtek to Locate in Missouri

Working on it.

It seems it's not a Chinese mainland company. Only one or more manufacture facilities are in China.

I'll try to dig out more.

Regards,

Edward Li

From: Li, Yan [mailto:yan.li@ded.mo.gov]
Sent: 2010年4月9日 3:36
To: Edward Li
Cc: Desloge, Maria
Subject: FW: Follow Up on Concepts for Mamtek to Locate in Missouri

Hi, Edward,
Lynne is the project manager in our sales team. You will meet her when you come. She wants us to do a background check on this Chinese company. They are talking about setting up a manufacture facility in US, possibly in MO, but we cannot get any of their finance background. Let us know whatever you can dig out on this company. Thank you.
Yan

From: Shea, Lynne
Sent: Thursday, April 08, 2010 10:35 AM
To: Li, Yan
Subject: FW: Follow Up on Concepts for Mamtek to Locate in Missouri

The attachment has the company information.
Lynne

From: Thomas Smith [mailto:tom@cb-da.com]
Sent: Tuesday, April 06, 2010 6:09 AM
To: Shea, Lynne
Cc: Bob Holden
Subject: Follow Up on Concepts for Mamtek to Locate in Missouri

Lynne,

I sincerely appreciate you following up with me, I know its tedious. This email follows up on our conversation yesterday. I would like to narrow our focus to capture additional information from Mexico, Moberly, Sedalia and Odessa.

As we discussed last week, the Mamtek opportunity has evolved in a positive way. I am hoping you can help me move the Mamtek site selection to the next level by providing information that is important to building site specific pro forma financials. If possible, I'm hoping we can get a letter (this week) from you with answers to the questions below, which will be used by Mamtek's principals to make the site selection.

We need to revisit the site size and look for a location of approximately 25 acres. I've attached a short project overview which focuses on Phase 1 of the project, which is similar to what we have previously discussed, but lays out the future requirements for growth. Mamtek is committed to building the initial 85,000 square foot

facility as quickly as possible, and would like to provide for rapid expansion, driven by pre-sold product demand.

Mamtek is focused upon quickly developing a financing scenario tailored to specific locations. They will develop pro forma financial statements and a business plan tailored to the proposed location. I'm hoping you can help me put together a specific scenario that Mamtek can use to generate these financial documents.

SITE SELECTION: The following background lead to increasing the planned size of the planned site. Mamtek has pre-sold virtually the entire production of the proposed U.S. facility. As a result, they are considering a second phase to be constructed 12-18 months following completion of the current effort. Mamtek predicts a total requirement for 22 production lines to support U.S. production. This could require the construction of five of the 85,000 square foot structures over the next 5-7 years. Consistent with the potential growth in production, similar growth of employment from 161 to as many as 700-750 could occur. The second phase would add 150 employees to the initial staff.

PROJECT FINANCING: The total Phase 1 project will be approximately $35,000,000. The project cost estimate does not include costs associated with major improvements to access the site. The owners will provide the capital for anything in excess of $25,000,000. The owners will have more than 20% of tangible and/or liquid investment in the project. The owners would prefer to own the facility, but will consider leasing it from the City if that generates advantages to financing the project. They would like to pursue financing in the following manner:

1. **Community Development Block Grant** – Hopefully the use of CBDG funds will be used to improve access to the proposed site and bring utilities to the location as well. Please indicate the amount of CBDG funding for which the project is qualified. The actual amount of the CBDG funding will be tailored to the project by the City.

2. **Other Grant or Funding Programs** - Please indicate any grant or other funding programs which could reduce the amount of any loan requirement. Tax abatements may not be relevant, as they are paid "in arrears" and are best used to improve cash flow over time. Local or state managed grants or incentives that reduce the amount of loans are extremely desirable. Please indicate any relevant programs and estimates of amount or formulas used to determine funding levels.

3. **Business & Industry (B&I) Guaranteed Loan Program** – Mamtek would like to pursue a USDA guaranteed B&I loan of $25,000,000. They would like to submit a preapplication with financials and an executive version of the business plan approximately 26 April. If approved, Mamtek will focus on USDA funding as a source of financing. Please indicate "subject to appropriate financial information and loan application documents" banks that would consider participating in the loan pursuit and the general terms of such a loan (term of loan, projected interest rate, points, closing costs, etc.). The intent is to identify who Mamtek should work with to develop the USDA pre-application.

If the USDA loan is not available:

4. **Industrial Revenue Bond** – In the event that USDA backed loans are not available, Mamtek would like to pursue an Industrial Revenue Bond, or similar financing instrument. Please indicate "subject to appropriate financial information and loan application documents" the City's willingness to support such a bond and the general terms of such a loan (projected interest rate, points, closing costs, etc.). The intent is to begin putting together supporting information as a backup strategy to the USDA loan.

5. Other Questions Related to Building Pro Forma Financials -

LAND: If Mamtek needs to build a total of 425,000 square feet of production space (over the next 5-7 years) it seems like a minimum of 20 acres of ground is needed for a Greenfield project. The initial project will be the 85,000 building, and subsequent phases would expand the original building.

- In this scenario is 20 acres adequate for zoning?
- Is extending the original building for each subsequent phase acceptable?
- At 20 acres, what would "average" land values be?
- What costs are proposed for land for this project?

BUILDING PERMIT: Assuming construction costs and permanently installed equipment are approximately $27,000,000, of which "hard" construction costs could be $6-8,000,000:

- What would the cost of a building permit be (is there a formula for calculation)?
- What are the costs associated with other potential permits (electrical, plumbing, HVAC, etc.)
- Are there any "standard" charges for connection to water or sewer?

GENERAL CONTRACTOR: Mamtek would like to use a local general contractor to construct the building, site improvements and facilitate installation of this equipment (Mamtek will provide subcontractor contact information for equipment acquisition and installation).

- Can you recommend local General Contractors capable of executing the project?

UTILITIES: For the purposes of budgeting can you provide costs for standard utilities:

- Average cost per kilowatt hour:
- Average cost/formula for water usage:
- Average cost/formula for wastewater:
- Average cost/formula for natural gas:
- Average cost/formula for trash removal (non-hazardous waste)

Again, thank you for your assistance in putting together this information. Your letter will be used by Mamtek to focus their site selection efforts. If it's possible to get the letter this week I really appreciate it.

Thanks!

Tom

--

Thomas A. Smith
Capital Business Development Associates

thomas.smith@cb-da.com
AKO: thomas.a.smith@us.army.mil
(C) 703.980.0332
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--

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www.cb-da.com

Exhibit N

From:	Hemenway, Sallie
Sent:	Thursday, July 15, 2010 10:29 AM
To:	Kerr, David
Subject:	RZFB recommendations.xls
Attachments:	RZFB recommendations.xls
Importance:	High

Attached is our proposed recommendation for the Recovery Zone FACILITY Bonds. There was $494M in requests. We have $192.5M available confirmed to reallocate. Two counties remain to report (Saline and Jasper) but I don't want to wait for them any further.

Based upon the review criteria (jobs, capital investment, economic impact, ability to close) the list is divided into 3 sections:

1. Manufacturers and other companies that proposed job creation or retention;
2. Commercial real estate projects;
3. Housing and recreational projects.

The recommendation provides for an award of at least 75% of their requested amount (rounded up because bonds are typically sold in units of $5000). I recommended the full amount of the smaller ones since there is an economy of scale when it comes to the cost of bond issuance, etc.

The recommendation is for the projects in the first category that have confirmed an ability to close. I recommend a "hold" for 3 of the projects in that same category, pending more information.

There are 2 projects recommended from the second category that also have recommendations. They are projects that DED is involved in with other incentives and assistance.

This step of the recommendation process, if approved, will allocate $126M of the $192.5M. The balance gives us flexibility to fund the remaining 3 when more information is available or address other projects in a new round.

I am available to meet to discuss. We are starting on the R Z ECONOMIC DEVELOPMENT Bonds, next. Please advise.

Sallie

	County/City location	Project	Principal Beneficiary Name/Address	Project Address	Requestor	Requested amount	RECOMMENDED AWARD	Total project investment	Total private investment	# new jobs - w/in 1 year	cumulative# new jobs w/in 5 years	Ave wage - new jobs	# retained jobs	Ave wage - retained jobs	# construction jobs	Anticipated closing date
FIRST PRIORITY RECOMMENDATION - BASE JOB CREATION																
	City of Moberly	Project Sugar (Mamtek USA)	Mamtek USA	Business 63, Moberly, MO 65270	City of Moberly IDA	$37,000,000	$28,000,000	$45,000,000	$8,000,000	161	760	$35,000.00	n/a	n/a	175	7/15/2010
	St. Louis, MO	Clean the Uniform Holding Company	7th & Park, St. Louis, MO 63104	7th & Park St. Louis, MO 63104	Missouri Development Finance Board	$2,800,000	$2,100,000	$2,800,000	$0	4	20	$35,000.00	18	$35,000.00	35	12/1/2010
	City of Washington	Washington Civic Industrial Corporation & Tech Aerospace Group, LLC	6325 Avantha Drive, Washington, MO 63090	6325 Avantha Drive, Washington, MO 63090	City of Washington	$7,800,000	$6,000,000	$15,500,000	debt service	30	100	$40,000.00	120	$55,000.00	60	9/15/2010
	Rock Port/ Atchison County	DeBruce Grain, Inc.	DeBruce Grain, Inc.	21799 E Avenue, Rock Port, MO 64482	Atchison County	$18,600,000	$14,000,000	$25,000,000	$6,400,000	11	11	$40,000.00	0	n/a	100+	10/1/2010
	Hazelwood	GKN Aerospace North America	142 James S. McDonnell Blvd, Hazelwood, MO 63042	142 James S. McDonnell Blvd, Hazelwood, MO 63042	St. Louis County IDA	$33,000,000	$24,750,000	$33,000,000	$33,000,000	100	250 (w/in 3 years)	$63,300.00	1,350	$63,330.00	72	11/15/2010
	St. Louis	Gallus Biopharmaceutics	4766 LaGuardia Drive, St. Louis, MO 63134	4766 LaGuardia Drive, St. Louis, MO 63134	St. Louis County IDA	$45,000,000	$34,000,000	$63,032,000	$63,032,000	200	244	$75,000	blank	blank	270	12/1/2010
	Springfield	Arrowhead Building Supply	2900 Martin Ave, Springfield, MO	2900 Martin Ave, Springfield, MO	IDA of City of Springfield	$2,000,000	$1,500,000	$2,460,000	$460,000	12	28	$16/hr or $33,280	22 (transferred from Strafford)	$16/hr or $33,280	20	9/1/2010
	Bunceton	Container Fabrication Expanston Project	Cooper County Trash and MFG, LLCk 114 E Main, Bunceton, MO 65237	114 E Main, Bunceton, MO 65237	Cooper County	$900,000	$900,000	$930,000	$30,000	10	15-20	$12/hr or $24,960	15-20	$12/hr or $24,960	uncertain - will be subcontracted	9/23/2010
	Sedalia	Starline, Inc.	Starline, Inc., 1300 West Henry Street, Sedalia, MO 65301	1300 West Henry Street, Sedalia, MO 65301	IDA of Pettis County	$3,850,000	$3,000,000	$3,850,000	$3,850,000	2	6	$33,000.00	6	$37,386.00	45+	w/in 30-45 days of approval
	Washington	Vossbrink Properties, LLC	RMS GmbH, Darmstadt, Germany	870 Vossbrink Drive, Washington, MO 63090	City of Washington	$4,000,000	HOLD	$4,360,000	$360,000	10	20	$30,000.00	22	$30,000.00	blank	blank
	Joplin	GF Weideman International Project	GF Weideman International, Inc.	1602 S Malden Lane, Joplin, MO 64804	IDA of City of Joplin	$4,000,000	$3,000,000	$4,850,000	$4,850,000	50	100	$18 hr/ $37,440	40	$18 hr/ $37,440	30	90 days after receipt of allocation
	Lamar	Project Sand (EisengieBerel Torgelow GmbH)	EisengieBerel Torgelow GmbH	Lamar, MO	City of Lamar	$33,500,000	HOLD	$74,585,000	$47,395,000	66	531	$27,040.00	0 - new company	n/a	TBD	12/1/2010
	Herculaneum	Doe Run Company	Doe Run Company	881 Main Street, Herculaneum, MO 63048	IDA of Jefferson Co	$150,000,000	HOLD	$153,408,000	$153,408,000	blank	blank	blank	95	$18.30 hr/ 38,064	420-450	Late November/ early December
SECOND PRIORITY RECOMMENDATION COMMERCIAL DEVELOPMENT AND REDEVELOPMENT																
	City of Excelsior Springs	Elms Hotel	The Elms Resort & Spa/Wide Waters Group	Regent & Elms Boulevard, Excelsior Springs, MO 64024	City of Excelsior Springs	$5,000,000	$4,000,000	$15,798,226	$8,937,711	30	$50	11.24 hourly/ $23,379 annually	98	$11.13	200	8/1/2010
	Maplewood	Sunquad, LLLP	2650 S Hanley Road, Maplewood, MO 63142	2650 S Hanley Road, Maplewood, MO 63142	St. Louis County IDA	$2,500,000	$0	$2,500,000	$2,500,000	140	300	$60,000.00	blank	blank	20	$30/hr or $62,400 annually
	Weldon Spring	Blanchette Real Estate, LLC and Little Hills Healthcare, LLC dba Center Pointe Hospital	Blanchette Real Estate, LLC and Little Hills Healthcare, LLC dba Center Pointe Hospital	5391 Highway 94 South, Weldon Spring, MO	IDA of St. Charles County	$12,000,000	$0	$15,000,000	$3,000,000	35	100	$23/hr or $47,840 annually	350	$23/hr or $47,840 annually	50	7/22/2010
	Kansas City	1111 Grand Hotel	1111 Grand LLC	1111 Grand Blvd, KC, MO 64108	IDA of KC	$4,150,000	$0	$9,651,445	*see Notes section	20	100	$30,000.00	blank	blank	40-45	60 days from DED approval

N2

Kansas City	East Village Parking Structure	GFP Kansas City Parking, LLC controlled by the Southern Ute Indian Tribe	9th & Cherry, KC, MO 64106	IDA of KC	$6,925,000	$5,200,000	$7,414,125	$7,414,125	blank	blank	blank	650	$65,000	22	61 days from DED approval
Kansas City	Phase 2 - Swope Park Training Center	Soccer Village Properties, LLC	6310 Lewis Road, KC, MO 64132	IDA of KC	$12,000,000	$0	$15,403,717	$15,403,717	5	25	$30,000 plus benefits	11	$70,000 plus benefits	unknown	12/31/2010
Springfield	Hickory Hills Marketplace	Larino Properties, LLC	3429 E Chestnut Expressway, Springfield, MO 65802	County of Greene	$8,000,000	$0	$50,000,000	$40,000,000	0	500	unknown	unknown	unknown	500	12/1/2010
WITHDRAWN/INCOMPLETE APP															
Miller County	Natural Gas Distribution Pipeline	Missouri Gas Utility, Inc. (subsidiary of Summit Utilities, Inc	Miller, Camden, Benton and Morgan counties		$2,000,000	$0	$3,333,200	$1,333,280	4	20	$52,500.00	n/a	n/a	200	6/30/2010
Louisiana	Dyno-Nobel, Inc				$ 9,000,000	$0									
RECOMMEND NO															
Neosho	HD Electrical Contractors	NW corner of Hwy 59 South and Plam Road in southern Neosho	NW corner of Hwy 59 South and Plam Road in southern Neosho	IDA of Newton County	$6,158,500	$0	$6,158,500	$6,158,500	20	30	$30/hr or $62,400 annually	20	$30/hr or $62,400 annually	12	12/31/2010
St. Louis	Lorenzo Development, LLC	12921 Tesson Ferry Rd, St. Louis, MO 63128	12921 Tesson Ferry Rd, St. Louis, MO 63128	St. Louis County IDA	$35,000,000	$0	$65,000,000	$65,000,000	200	525	$25/hr or $52,000 annually	blank	blank	350	12/31/2010
St. Charles County	Duckett Creek Sanitary District/ Tinkers Ridge LLC	Duckett Creek Sanitary District/ Tinker's Ridge LLC	2881 Hopewell Road, Wentzville, MO 63385	IDA of St. Charles County	$2,250,000	$0	$4,180,000	$2,250,000	blank	2	$50,000.00	n/a	blank	15	$30.30/hr or $63,024 annually
Kansas City	Deaconess Senior Estates	PHKC Swope Realty, LLC (parent is Platinum Health Care LLC)	2323 Swope Parkway, KC, MO 64130	IDA of KC	$5,000,000	$0	$5,820,000	$5,820,000	0	0	n/a	79	$21,970 plus benefits	blank	90 days from DED approval
Kansas City	Deaconess Speciality Care Center	PHKC Swope Realty, LLC (parent is Platinum Health Care LLC)	7001 Cleveland Ave, KC, MO 64132	IDA of KC	$2,500,000	$0	$2,500,000	$2,500,000	0	0	n/a	84	$25,720 plus benefits	blank	90 days from DED approval
Moberly	Project China (Company name confidential)		Moberly, MO	City of Moberly IDA	$25,000,000	$0	TBA	TBA	TBA	TBA	TBA	blank	blank	TBA	11/1/2010
Hazelwood	Splash Universe	City of Hazelwood?	5500 St. Louis Mills Blvd, Hazelwood, MO 63042	City of Hazelwood	$14,250,000	$0	$15,750,000	$750,000	50	60	$10 hr/$20,800 annually	0	0	80	11/1/2010
	TOTAL				$494,183,500	$126,450,000									

N3

Exhibit O

From:	Hemenway, Sallie
Sent:	Monday, July 19, 2010 2:31 PM
To:	'cmehaffy@moberly-edc.com'
Cc:	Kerr, David
Subject:	Fw: Mamtek letter
Attachments:	Mamtek USA(2) - July10.pdf

Corey:

Attached is the new allocation letter for $28M. It rescinds the previous one for $5M and places the total amount in this one allocation.

Sallie

From: Anderson, Ronda
To: Hemenway, Sallie
Sent: Mon Jul 19 14:28:16 2010
Subject: Mamtek letter

Ronda Anderson
Business & Community Services
301 West High Street, Suite 770
PO Box 118
Jefferson City, MO 65102
phone 573-522-9062
fax 573-522-4322

Jeremiah W. (Jay) Nixon
Governor

Department of Economic Development

David D. Kerr
Director

July 19, 2010

Corey J. Mehaffy, President
City of Moberly Industrial Development Authority
115 A North Williams
PO Box 549
Moberly, MO 65270

Re: Recovery Zone Facility Bond
Mamtek USA

Dear Mr. Mehaffy:

Pursuant to Sections 108.1010, RSMo, we received an application for a Recovery Zone Facility Bond Reallocation for the above-referenced project.

By the power vested in me pursuant to Section 108.1010.2, RSMo, I hereby approve an allocation of $28,000,000 from the bond ceiling for the above-referenced project. This allocation will expire at the end of the day on September 19, 2010.

In the interest of clarity and efficiency, the Department has chosen to provide one reallocation approval letter that combines the previously awarded $5,000,000 reallocation and this newly awarded $23,000,000 into one single formal reallocation for the Mamtek USA project. Therefore, the DED formally rescinding the reallocation letter provided on July 13, 2010 and nullifying that $5,000,000 reallocation of Recovery Zone Economic Development Bonds.

The written report of issuance should be given by completing a "Report of Closing" form and mailing it to the address printed on the form. A copy of the form is attached or a fillable version can be found on our web site at www.ded.mo.gov.

If you have questions, please contact Ronda Anderson (573-522-9062 or ronda.anderson@ded.mo.gov) or me (573-751-5097 or sallie.hemenway@ded.mo.gov).

Sincerely,

Sallie Hemenway, Director
Business and Community Services

Cc: Thomas Cunningham, Cunningham, Vogel & Rost, PC

Exhibit P

Perkins Coie

1888 Century Park E., Suite 1700
Los Angeles, CA 90067-1721
PHONE: 310.788.9900
FAX: 310.788.3399
www.perkinscoie.com

Michael J. Wise
PHONE: (310) 788-3210
EMAIL: MWise@perkinscoie.com

July 22, 2010

Thomas A. Cunningham
Cunningham, Vogel & Rost, P.C.
Legal counselors to local government
75 W. Lockwood, Suite One
St. Louis, MO 63119

Re: Summary of Actions regarding documents for escrow as identified the Escrow Trust Agreement: Schedule 1 ("Schedule 1")

Dear Mr. Cunningham:

I write to summarize my actions in preparing and submitting documents for escrow as identified the Escrow Trust Agreement: Schedule 1 ("Schedule 1").

In the summer of 2009, I was asked by Bruce Cole, CEO of Mamtek, to visit Mamtek's operating facilities related to the production of sucralose located in Wuyishan, China. I was tasked with attempting to collect materials sufficient to operate and/or reproduce the facility in the event the facility was damaged or the operating materials were lost or destroyed. In this regard, I was provided with a copy of the blueprints identified in Section 8 of Schedule 1. My former partner Zoe Wang and I personally visited the facility and interviewed a Mamtek engineer and an inventor, Mr. Zhenghao Wan, over the course of two days. The engineer and Mr. Wan verified to me that the 60 ton sucralose line as constructed was substantially in accordance with those blueprints and that the processes used in the 60 ton sucralose line were substantially in accordance with the processes reflected in the patent applications filed by Perkins Cole on Mamtek's behalf. I note that there are some deviations between the blueprints and my notes, but have no reason to believe those deviations are significant.

At all times during my review, I have relied on the representations by Mamtek, including Mamtek's representations that the documents provided in Schedule 1 include the following:

- Step-by-step instructions for the production and manufacture of sucralose using the Company's proprietary methods and production line as implemented in Mamtek's Wuyishan facilities;

- Blueprints for assembling said sucralose production line;

- Equipment manufacturer names and various component information used in the assembly of said sucralose production line;

Provided herewith is a USB drive containing photos of said sucralose production line taken by me during my visit to Mamtek's Wuyishan facility on or about November 10, 2009. This is the same trip during which I conducted the interviews to understand the blueprints. These photographs of the facility and my rough notes, created at or near the time of my visit to the facility, correlate specific equipment shown in the photographs with the blueprints. I note that there is some deviation between the blue prints and the notes, but have no reason to believe that the deviation is significant. The blueprints have been in my possession from the time those materials were transferred to me from Mamtek and were used in compiling the materials provided herewith and identified in Schedule 1.

Zoe Wang was provided additional documentation subsequent to our visit, much, if not all of which are the materials identified in Sections 1-7 of Schedule 1. The materials identified in Sections 1-7 were maintained in the Perkins Coie safe in Shanghai, and then personally retrieved from that safe and personally delivered to our Los Angeles office by my associate Yingli Wang, where upon they were deposited in the Los Angeles office safe.

I also provide herewith translations of selected materials from Schedule 1 for submission into escrow. Note that the translations are not certified, but are believed to be reasonably accurate.

In assembling the above-information, I have at all times relied upon the representations of Mamtek and have not independently verified the accuracy of the information contained herein or in the materials identified in Schedule 1. I have not undertaken, nor was I obligated or expected to undertake, an independent investigation to determine the accuracy of the facts or other information, and any inquiry undertaken by me during the preparation of this letter or compilation of the materials identified in Schedule 1 should not be regarded as such an investigation.

I have outlined certain actions I have taken on behalf of Mamtek in this letter. These actions and this letter were done for Mamtek's benefit only, and neither my actions nor any statements in this letter may be used or relied on for any other purpose or by any other person.

Very truly yours,

Michael J. Wise

Michael J. Wise

Exhibit Q

Naturally, this is a complicated issue. I'd be glad to host a short call to address this further if necessary.

Thanks!

Mike

From: Reena B. Gordon [mailto:rgordon@mamtek.com]
Sent: Wednesday, June 16, 2010 12:04 AM
To: mike@pellegrinoandassociates.com; tom@municipalfirm.com; 'Joshua L. Payton'
Cc: bcole@mamtek.com; 'Paul Farthing'
Subject: RE: points for Thurs call

Gentlemen,

Thank you for all the hard work and late hours.

With an eye on Thursday's call, let me share my perspective.

It's a view that stems from ramping 60+ technology businesses, including numerous privately-funded early-stage companies to breakthrough units within Intel, American Greetings, MGM, Sprint, Hasbro and the like. Right or wrong, my perspective was also shaped by training at Booz Allen, at PW, as well as Wharton and Harvard.

That view is simply this. In a valuation, there is a place for proprietary analytics – as Mike's team is charged with – and there is also a place for market-driven metrics. In fact, having both side-by-side provides a much stronger position. (That's one of the reasons valuation teams will ask for data regarding royalties and licenses – because this data is "market-in".)

Regarding market-driven indicators of value: The equity raise I've described is an extremely close approximation of pure IP value. Because other than the license agreement to leverage the IP and the sales contract, there is nothing else of value to value -- no factory, no GM, no inventory. It's at precisely this moment in time that a fairly diverse market is assigning a value of $100M to Mamtek US assets.

Mike raises two other questions, one concerning the factors investors took into account in assigning the valuation, and the other regarding their hoped-for holding period.

1. To set our definitions, the valuation agreed to in an investor raise is this: The assignment of value (via capital paid) to total existing assets. "Pre-money" means right before the investor capital comes in, and "post-money" means right after. Critically, market theory allows each investor to have his or her private motivations; it's the collective that counts in driving valuation of any asset. We think this particular valuation was reached because the IP has been proven and the market is exploding, but even if we're not getting it 100%, the fact is that an independently established value remains.

2. On holding periods: Whatever holding period is desired or anticipated – and what events might be postulated during that time period – all pertain to the reward on investment, and not valuation at the time of a raise. Sophisticated investors, and certainly large institutional Banks, evaluate an investment and its implied values against a range of possible rewards (in form, in size, in timing) and thus a spectrum of multiples on the investment.

We seem to have our arms around a good market indicator. It involves several individuals, each of whom is separately choosing to put large sums into a closely-held business. And strikingly, there is no time delay vis a vis the analytic side of things. Mike's model/report and this equity raise are both

entering completion within the same time period. Fortuitous, indeed.

Thanks again.

all best, Reena

Reena Gordon *Chief Operating Officer*	Mamtek International Beverly Hills; Hong Kong
rgordon@mamtek.com	tel: 310-552-7840 mobile: 310-503-0280

From: Mike Pellegrino [mailto:mike@pellegrinoandassociates.com]
Sent: Tuesday, June 15, 2010 7:29 PM
To: 'Reena B. Gordon'; tom@municipalfirm.com; 'Joshua L. Payton'
Cc: bcole@mamtek.com; 'Paul Farthing'
Subject: RE: points for Thurs call

Good evening,

Thanks for sending this along. I would like to provide our perspective on Mamtek's implied valuation, as this topic may come up after we deliver our report.

For the purposes of this assignment, and from our perspective, the commitment and implied valuation by Mamtek investors is a footnote for our analysis. The reason is that we do not have knowledge of the reasons surrounding their investment. Theoretically, investments should occur at a pre-money valuation based on the risk-adjusted present value. Oftentimes see that this is not the case (e.g., we have found no reasonable intrinsic value analysis that justifies Apple's market price). As it relates to this project, the implied valuation may vary depending on whether investors consider their holding period to include Phases I, II, and III. Because of this uncertainty, we do not consider such transactions usually in our analysis in case the question should come up regarding our report.

I stand ready to answer any questions that you may have regarding this clarification.

Kind regards,

Mike

From: Reena B. Gordon [mailto:rgordon@mamtek.com]
Sent: Tuesday, June 15, 2010 12:06 PM
To: tom@municipalfirm.com; 'Joshua L. Payton'; mike@pellegrinoandassociates.com
Cc: bcole@mamtek.com; 'Thomas Smith'
Subject: RE: points for Thurs call

Please see additional information below, in blue

From: Reena B. Gordon [mailto:rgordon@mamtek.com]
Sent: Monday, June 14, 2010 4:19 PM
To: 'tom@municipalfirm.com'; 'Joshua L. Payton'

Exhibit R

From:	Maglich, Terry
Sent:	Tuesday, September 20, 2011 7:42 AM
To:	Fougere, John
Cc:	Shea, Lynne
Subject:	Mamtek due dilligence

John, below is the process we followed while working the Mamtek project. It is consistent with all other projects that are start ups.

- Arranged and provided for two meetings to meet the company and their representatives. Numerous conference calls with the representatives were also held to answer questions with regard to the project.
- Performed internet search on the company and their representatives. Shareholders/owners were not known at that time.
- Background search performed by our International office in China on the company and its operation.
- Business plan requested and received in parcels
- Financial statements requested and received
- Assistance provided for financing. Arranged meetings with USDA
- Proposal provided based on company's projections. Company was notified that Missouri assistance is performance based on jobs and investment. No awards have been made.

Exhibit S

From: Havener, Greg
Sent: Thursday, June 03, 2010 4:02 PM
To: Golden, Mike
Subject: RE: BUILD PROJECT RUSH

There is little on Google, oh well it will be a "thin" report.
Greg

From: Golden, Mike
Sent: Thursday, June 03, 2010 3:36 PM
To: Havener, Greg
Subject: FW: BUILD PROJECT RUSH

Greg,

Looks like this is as good as it going to get from a name standpoint. Perhaps you can start doing some Google search from this?

From: Shea, Lynne
Sent: Thursday, June 03, 2010 3:28 PM
To: Golden, Mike; Havener, Greg
Subject: RE: BUILD PROJECT RUSH

The name I have is Mamtek USA. Yes, we have a signed proposal.

From: Golden, Mike
Sent: Thursday, June 03, 2010 3:19 PM
To: Havener, Greg
Cc: Shea, Lynne
Subject: RE: BUILD PROJECT RUSH

I've left a phone message and an e-mail asking Lynne if we have anything more specific on their name. We have to amend our June agenda now and get a revision out yet tonight to our Chair and Kerr..

Tom Smith is the name of the fellow who will be working the app and we will talk to tomorrow. He is in flight back to DC. As soon as I have a time we can talk to him tomorrow I'll let you know so you can be on the call.

From: Havener, Greg
Sent: Thursday, June 03, 2010 3:05 PM
To: Golden, Mike
Subject: RE: BUILD PROJECT RUSH

I have lunch from 12-1, I will be free for a call the rest of the day.
We don't even have a company name yet? I have to do research for the recommendation.
Greg

From: Golden, Mike
Sent: Thursday, June 03, 2010 3:02 PM

To: Havener, Greg
Subject: RE: BUILD PROJECT RUSH

Right now not until Monday. What time tomorrow can you join me on a call with the person who is doing the app?

From: Havener, Greg
Sent: Thursday, June 03, 2010 3:01 PM
To: Golden, Mike
Subject: RE: BUILD PROJECT RUSH

When will I have any information, like the real company name? Application?
Greg

From: Golden, Mike
Sent: Thursday, June 03, 2010 2:51 PM
To: Havener, Greg
Cc: 'CALDWELL, JAMES'; Haller, Valerie; Shea, Lynne
Subject: BUILD PROJECT RUSH
Importance: High

Greg/Jim,

Just so you know we now have to get this project on our June 15 agenda. They have a critical construction schedule once they secure financing and need to get started before the Board meets for its July meeting so it's necessary to get them on the June 15 agenda.

Greg, just wanted to give you a heads up so you can give it top priority next Monday. I am to have a discussion with the consultant Tom Smith tomorrow to go through the application. Let me know when you can be available for the phone call. Greg he intends to send us the fillable PDF version Monday. It's important that you talk to who's necessary on your side to assure your DED recommendation gets approval over there by Tuesday.

Jim Caldwell, I'll forward the draft agenda as soon as I have it Monday. We are going to delay shipping out our material until Wednesday to allow us another working day to get done.

Thanks,

Mike

J. Michael (Mike) Golden
Missouri Development Finance Board
Finance Officer
Phone: (573) 522-4527
Fax: (573) 526-4418
mike.golden.mdfb@ded.mo.gov
www.mdfb.org

Exhibit T

D&B Risk Management

ATTN:Sarah Warren
Report Printed:July 07, 2011

Live Report : MAMTEK U.S., INC.

D-U-N-S® Number: 96-357-7286
Endorsement/Billing Reference: sarah.warren@ded.mo.gov

D&B Address		
Address	150 S Rodeo Dr Ste 260 Moved From: 630 N Elm Dr, Beverly Hills, Ca Beverly Hills,CA - 90212	Location Type Headquarters Web
Phone	310 888-1885	
Fax		

Endorsement : sarah.warren@ded.mo.gov

Company Summary

Currency: Shown in USD unless otherwise indicated

Score Bar

PAYDEX®	76
Commercial Credit Score Class	3
Financial Stress Class	2
Credit Limit - D&B Conservative	1,000.00
D&B Rating	–

Company News

Today: Thursday, July 07, 2011

No company news currently available for this company

Powered by FirstRain

D&B Company Overview

This is a headquarters location

Branch(es) or Division(s) exist	Y
Mailing Address	PO Box 546 Moberly,MO65270
Chief Executive	UNKNOWN
Year Started	2010
Employees	3 (Undetermined Here)
SIC	2869
Line of business	Mfg Industrial organic chemicals
NAICS	325199
History Status	INCOMPLETE

Public Filings

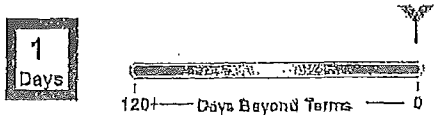
The following data includes both open and closed filings found in D&B's database on this company.

Public Filings	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	0	-

The public record items contained herein may have been paid, terminated, vacated or released prior to todays date.

Detailed Trade Risk Insight™

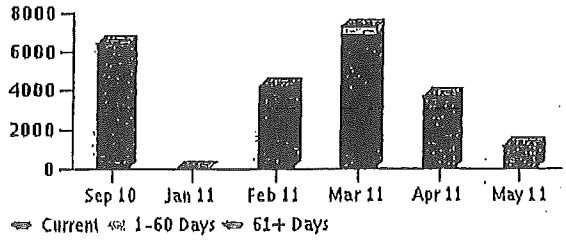
Days Beyond Terms Past 3 Months



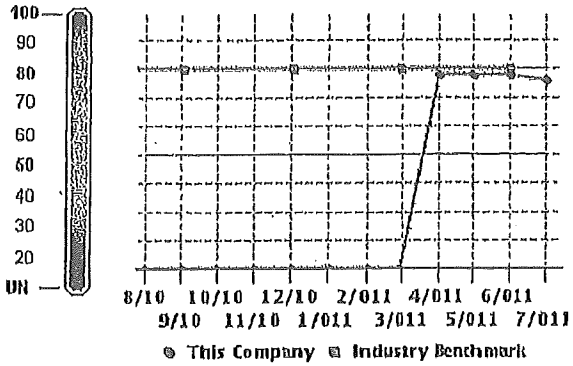
Dollar-weighted average of 6 payment experiences reported from 5 Companies

Recent Derogatory Events	Mar-11	Apr-11	May-11
Placed for Collection			
Bad Debt Written Off			

Total Amount Current & Past Due - 6 Month Trend



PAYDEX® Trend Chart



Corporate Linkage

Branches (Domestic)

Company	City, State	D-U-N-S® NUMBER
MAMTEK U.S., INC.	MOBERLY , Missouri	04-261-0481

Predictive Scores

Currency: Shown in USD unless otherwise indicated

Credit Capacity Summary

This credit rating was assigned because of D&Bs assessment of the companys creditworthiness. For more information, see the D&B Rating Key

D&B Rating:

The blank rating symbol should not be interpreted as indicating that credit should be denied. It simply means that the information available to D&B does not permit us to classify the company within our rating key and that further enquiry should be made before reaching a decision. Some reasons for using a "-" symbol include: deficit net worth, bankruptcy proceedings, insufficient payment information, or incomplete history information.

Below is an overview of the companys rating history since 12-01-2010

Number of Employees 3 (Undetermined here)

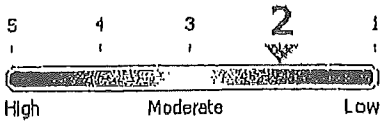
Total:

D&B Rating	Date Applied
--	12-01-2010

Payment Activity	(based on 11 experiences)
Average High Credit:	1,050
Highest Credit:	5,000
Total Highest Credit:	10,200

D&B Credit Limit Recommendation

Conservative credit Limit	1,000
Aggressive credit Limit:	7,500
Risk category for this business :	LOW TO MODERATE

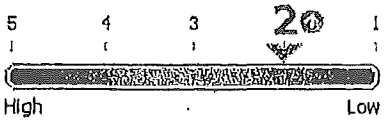


This recommended Credit Limit is based on the company profile and on profiles of other companies with similarities in size, industry, and credit usage.
Risk is assessed using D&Bs scoring methodology and is one factor used to create the recommended limits. See Help for details.

Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&Bs extensive data files.
The Financial Stress Class of 2 for this company shows that firms with this class had a failure rate of 0.09% (9 per 10,000), which is lower than the average of businesses in D & B's database

Financial Stress Class :



Moderate risk of severe financial stress, such as a bankruptcy, over the next 12 months.

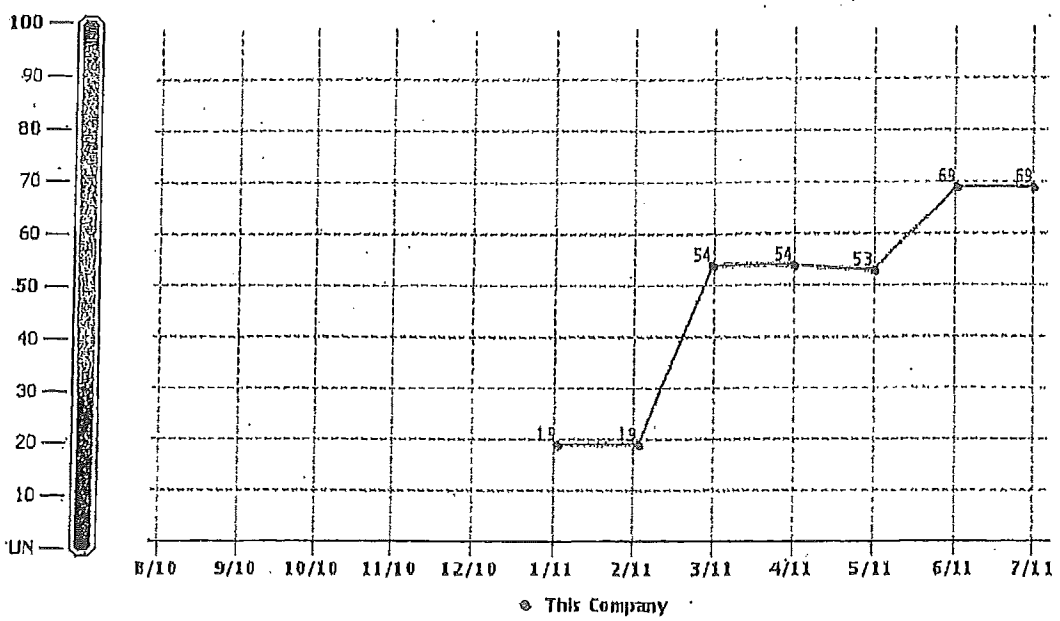
Probability of Failure:

- Among Businesses with this Class: 0.09 % (9 per 10,000)
- Financial Stress National Percentile : 69 (Highest Risk: 1; Lowest Risk: 100)
- Financial Stress Score : 1510 (Highest Risk: 1,001; Lowest Risk: 1,875)
- Average of Businesses in D&Bs database: 0.48 % (48 per 10,000)

The Financial Stress Class of this business is based on the following factors:

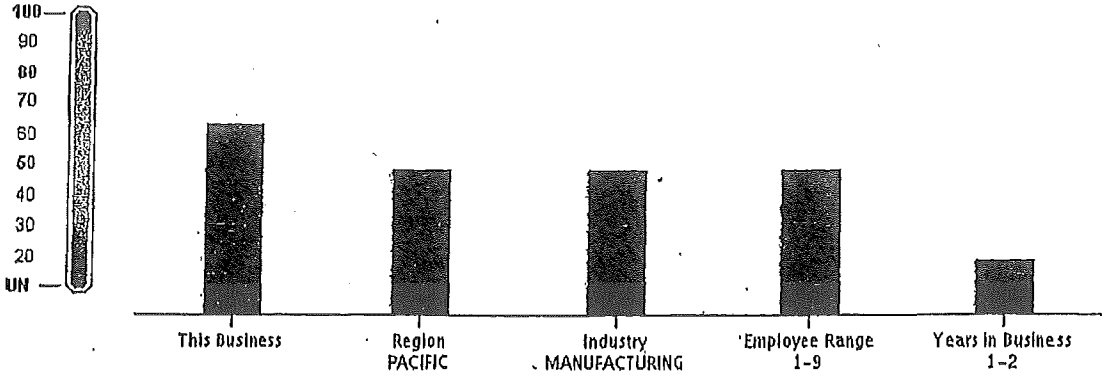
- Limited time under present management control.

Financial Stress Percentile Trend:



Notes:

- The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.
- The Probability of Failure shows the percentage of firms in a given Class that discontinued operations over the past year with loss to creditors. The Probability of Failure - National Average represents the national failure rate and is provided for comparative purposes.
- The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&Bs file.
- The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.



Norms	National %
This Business	69
Region: PACIFIC	52
Industry: MANUFACTURING	52
Employee range: 1-9	52
Years in Business: 1-2	20

This Business has a Financial Stress Percentile that shows:

Lower risk than other companies in the same region.

Lower risk than other companies in the same industry.

Lower risk than other companies in the same employee size range.

Lower risk than other companies with a comparable number of years in business.

Credit Score Summary

The Commercial Credit Score predicts the likelihood that a company will pay its bills in a severely delinquent manner (90 days or more past terms), obtain legal relief from creditors or cease operations without paying all creditors in full over the next 12 months. Scores are calculated using a statistically valid model derived from D&B's extensive data files.
The Credit Score class of 3 for this company shows that 18.4% of firms with this class paid one or more bills severely delinquent, which is lower than the average of businesses in D & B's database.

Credit Score Class :

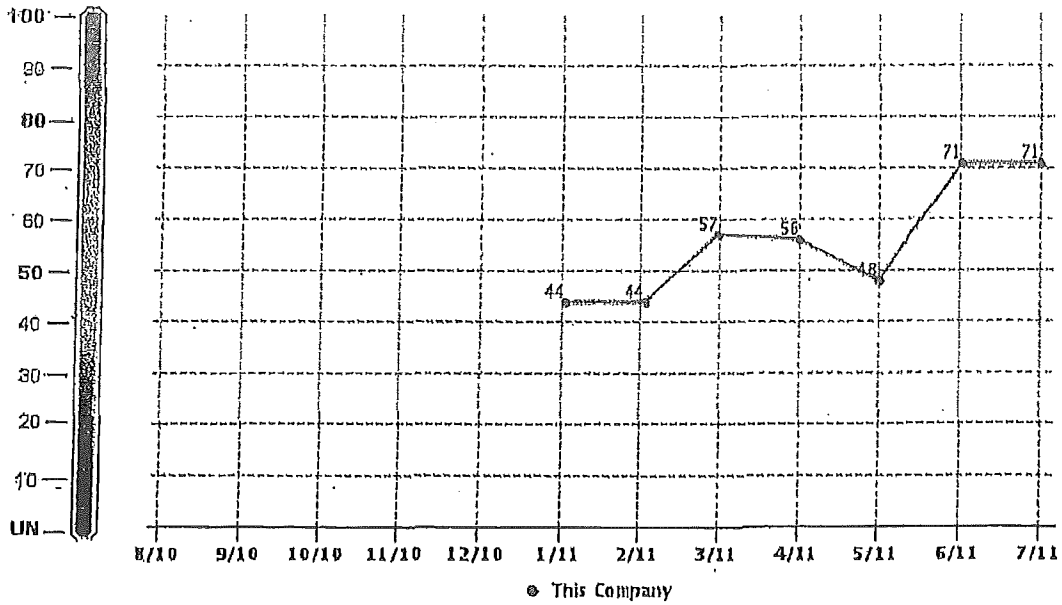
Incidence of Delinquent Payment

- Among Companies with this Classification: 18.40 %
- Average compared to businesses in D&Bs database: 23.50 %
- Credit Score Percentile : 51 (Highest Risk: 1; Lowest Risk: 100)
- Credit Score : 426 (Highest Risk: 101; Lowest Risk:670)

The Credit Score Class of this business is based on the following factors:

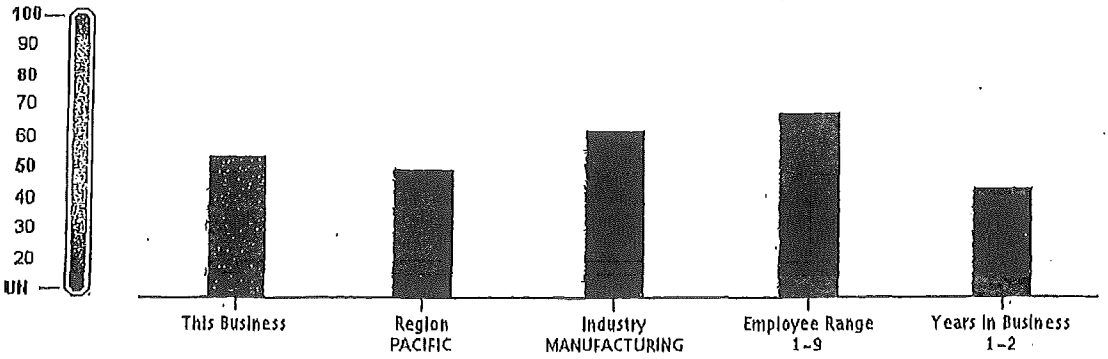
- Most recent amount past due.
- Limited time in business.
- Low number of satisfactory payments.
- Low proportion of satisfactory payment experiences to total payment experiences.
- High number of inquiries to D & B over last 12 months.

Credit Score Class Percentile Trend:



Notes:

- The Commercial Credit Score Risk Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience severe delinquency.
- The incidence of delinquency shows the percentage of firms in a given percentile that are likely to pay creditors in a severely delinquent manner. The average incidence of delinquency is based on businesses in D&B's database and is provided for comparative purposes.
- The Commercial Credit Score percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.
- The Commercial Credit Score offers a more precise measure of the level of risk than the Risk Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.



Norms	National (%)
This Business	51
Region: PACIFIC	46
Industry: MANUFACTURING	60
Employee range: 1-9	66
Years in Business: 1-2	39

This business has a Credit Score Percentile that shows:

Lower risk than other companies in the same region.

Higher risk than other companies in the same industry.

Higher risk than other companies in the same employee size range.

Lower risk than other companies with a comparable number of years in business.

Trade Payments

Currency: Shown in USD unless otherwise indicated

D&B PAYDEX®

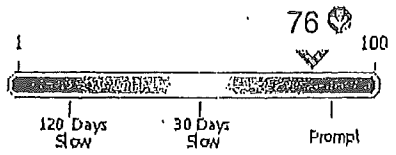
The D&B PAYDEX is a unique, weighted indicator of payment performance based on payment experiences as reported to D&B by trader references. Learn more about the D&B PAYDEX

Timeliness of historical payments for this company.

Current PAYDEX is	**76**	Equal to 6 days beyond terms (Pays more slowly than the average for its industry of generally within terms)
Industry Median is	**80**	Equal to generally within terms
Payment Trend currently is	⇔	Unchanged, compared to payments three months ago

Indications of slowness can be the result of dispute over merchandise, skipped invoices etc. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

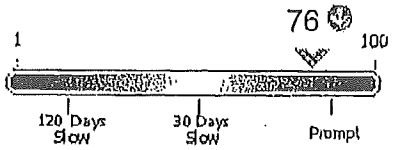
Total payment Experiences in D&Bs File (HQ)	11
Payments Within Terms (not weighted)	95 %
Trade Experiences with Slow or Negative Payments(%)	4.55%
Total Placed For Collection	0
High Credit Average	1,050
Largest High Credit	5,000
Highest Now Owing	2,500
Highest Past Due	500



- High risk of late payment (Average 30 to 120 days beyond terms)
- Medium risk of late payment (Average 30 days or less beyond terms)
- Low risk of late payment (Average prompt to 30+ days sooner)

When weighted by amount, payments to suppliers average 6 days beyond terms

3-Month D&B PAYDEX



- High risk of late payment (Average 30 to 120 days beyond terms)
- Medium risk of late payment (Average 30 days or less beyond terms)
- Low risk of late payment (Average prompt to 30+ days sooner)

Based on payments collected over last 3 months.

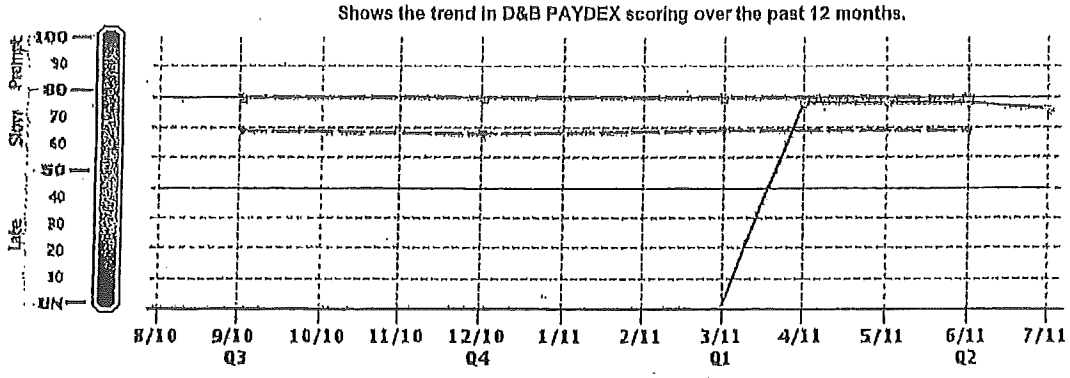
When weighted by amount, payments to suppliers average 6 days beyond terms

D&B PAYDEX® Comparison

Current Year

PAYDEX® of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Mfg Industrial organic chemicals , based on SIC code 2869 .

Shows the trend in D&B PAYDEX scoring over the past 12 months.

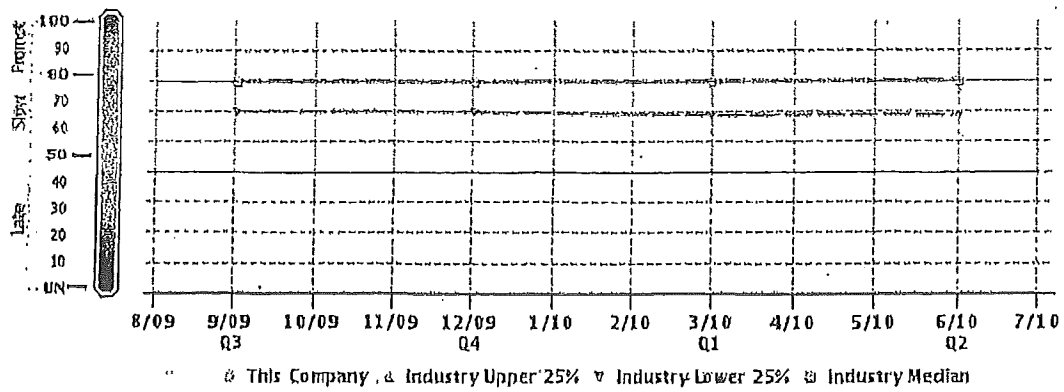


	8/10	9/10	10/10	11/10	12/10	1/11	2/11	3/11	4/11	5/11	6/11	7/11
This Business	UN	UN	UN	UN	UN	UN	UN	UN	78	78	78	76
Industry Quartiles												
Upper	80			80			80			80		
Median	80			80			80			80		
Lower	69			68			69			69		

- Current PAYDEX for this Business is 76 , or equal to 6 days beyond terms
- The 12-month high is 78 , or equal to 3 DAYS BEYOND terms
- The 12-month low is 76 , or equal to 6 DAYS BEYOND terms and the D&B PAYDEX® was also unavailable during the period

Previous Year

Shows PAYDEX of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Mfg Industrial organic chemicals , based on SIC code 2869 .



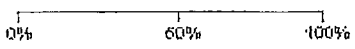
Previous Year				
This Business	UN	UN	UN	UN
Industry Quartiles				
Upper	80	80	80	80
Median	80	80	80	80
Lower	70	70	69	69

Based on payments collected over the last 4 quarters.
- Current PAYDEX for this Business is 76 , or equal to 6 days beyond terms
- The present industry median Score is 80 , or equal to generally within terms
- Industry upper quartile represents the performance of the payers in the 75th percentile
- Industry lower quartile represents the performance of the payers in the 25th percentile

Payment Habits

For all payment experiences within a given amount of credit extended, shows the percent that this Business paid within terms. Provides number of experiences to calculate the percentage, and the total credit value of the credit extended.

Credit Extended	# Payment Experiences	Total Amount	% of Payments Within Terms
Over 100,000	0	0	0%
50,000-100,000			
15,000-49,999	0	0	0%
5,000-14,999			
1,000-4,999	0	0	0%
Under 1,000			
	1	6,000	100%
	1	2,500	50%
	7	1,950	100%



Based on payments collected over last 12 months.
All Payment experiences reflect how bills are paid in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Payment Summary

There are 11 payment experience(s) in D&Bs file for the most recent 24 months, with 10 experience(s) reported during the last three month period.

The highest Now Owes on file is 2,500 . The highest Past Due on file is 500

Below is an overview of the companys currency-weighted payments, segmented by its suppliers primary industries:

	Total Rev'd	Total Amount	Largest High Credit	Within Terms	Days Slow 1-30	31-60	61-90	91+
Top Industries								
Telephone communictns	3	1,500	750	100	0	0	0	0
Radiotelephone commun	2	5,250	5,000	100	0	0	0	0
Data processing svcs	2	150	100	100	0	0	0	0
Whol office supplies	1	2,500	2,500	50	50	0	0	0
Whol electrical equip	1	50	50	100	0	0	0	0
Other payment categories								
Cash experiences	2	750	750					
Payment record unknown	0	0	0					
Unfavorable comments	0	0	0					
Placed for collections:								
With D&B	0	0	0					
Other	0	N/A	0					
Total in D&Bs file	11	10,200	5,000					

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipped invoices etc.

Detailed payment history for this company

Date Reported (mm/yy)	Payment Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale Within (months)
06/11	Ppt-Slow 30	2,500	2,500	500	N30	1 mo
05/11	Ppt	5,000	0	0		1 mo
	Ppt	750	0	0		1 mo
	Ppt	500	0	0		2-3 mos
	Ppt	250	100	0		1 mo
	Ppt	250	0	0		1 mo
	Ppt	100	100	0		1 mo
	Ppt	50	0	0		2-3 mos
	(009)	0	0	0	Cash account	1 mo
04/11	Ppt	50	0	0	N30	1 mo
01/11	(011)	750			Cash account	1 mo

Payments Detail Key: ■ 30 or more days beyond terms

Payment experiences reflect how bills are paid in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Public Filings

Currency: Shown in USD unless otherwise indicated

Summary

A check of D&B's public records database indicates that no filings were found for MAMTEK U.S., INC. at 150 S Rodeo Dr Ste 260 , Beverly Hills CA .

D&B's extensive database of public record information is updated daily to ensure timely reporting of changes and additions. It includes business-related suits, liens, judgments, bankruptcies, UCC financing statements and business registrations from every state and the District of Columbia, as well as select filing types from Puerto Rico and the U.S. Virgin Islands.

D&B collects public records through a combination of court reporters, third parties and direct electronic links with federal and local authorities. Its database of U.S. business-related filings is now the largest of its kind.

Government Activity

Activity summary

Borrower (Dir/Guar)	NO
Administrative Debt	NO
Contractor	NO
Grantee	NO
Party excluded from federal program(s)	NO

Possible candidate for socio-economic program consideration

Labour Surplus Area	YES (2011)
Small Business	YES (2011)
8(A) firm	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

Special Events

Currency: Shown in USD unless otherwise indicated

Special Events

03/09/2011

Business address has changed from 630 N Elm Dr, Beverly Hills, CA, 90210 to 150 S Rodeo Dr Ste 260, Beverly Hills, CA, 90212.

History & Operations

Currency: Shown in USD unless otherwise indicated

Company Overview

Company Name:	MAMTEK U.S., INC.
Street Address:	150 S Rodeo Dr Ste 260 Moved From: 630 N Elm Dr, Beverly Hills, Ca Beverly Hills , CA 90212
Mailing Address:	PO Box 546 Moberly MO 65270
Phone:	310 888-1885
History	Is Incomplete
Present management control	1 year

History

The following information was reported: 03/09/2011

Officer(s):	UNKNOWN ALISSA ROSTON, TREASURER

THE OFFICER(S)

The Delaware Secretary of State's business registrations file showed that Mamtek U.S., Inc was registered as a corporation on May 17, 2010. Stock ownership is undetermined.
Business started 2010.
ALISSA ROSTON, 2010-present active here.

Business address has changed from 630 N Elm Dr, Beverly Hills, CA, 90210 to 150 S Rodeo Dr Ste 260, Beverly Hills, CA, 90212.

Operations

03/09/2011

Description:	Operates as a manufacturer of industrial organic chemicals (100%). Terms are undetermined. Sells to undetermined.
Employees:	3 which includes officer(s). Undetermined employed here.
Facilities:	Occupies premises in a building.
Branches:	Maintains a branch location at 101 W Coates St, Moberly, MO.

SIC & NAICS

SIC:
Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.
The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.
2869 0000 Industrial organic chemicals, nec
NAICS:

325199 All Other Basic Organic Chemical Manufacturing

Financials

Currency: Shown in USD unless otherwise indicated

Company Financials: D&B

D&B currently has no financial information on file for this company.
You may order a personalized request for this company on your behalf to obtain financial information by clicking the Request Financial Statement button below.

Additional Financial Data

On December 1, 2010, Olivia Lindsey, Dir of HR, confirmed the name and location of the captioned business, however deferred all other information.

Incomplete history caption has been applied due to the following factors
-- Identification of business principals is lacking. -- Stock ownership has not been clearly established.

As of December 1 2010 a search of Dun & Bradstreets Public Record database found no open suits, liens, judgements or UCCs to which Mamtek U.S., Inc. at 630 N Elm Dr, Beverly Hills CA was named defendant or debtor. Public records received hereafter will be entered into the database and will be included in reports which contain a Public Filings section.

Request Financial Statements

Request Financial Statements

Requested financials are provided byMAMTEK U,S., INC,and are not DUNSRight certified.

Key Business Ratios

D & B has been unable to obtain sufficient financial information from this company to calculate business ratios. Our check of additional outside sources also found no information available on its financial performance.

To help you in this instance, ratios for other firms in the same industry are provided below to support your analysis of this business.

Based on this Number of Establishments 31

Industry Norms Based On 31 Establishments

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales	UN	7.1	UN
Return on Net Worth	UN	15.0	UN
Short-Term Solvency			
Current Ratio	UN	1.7	UN
Quick Ratio	UN	0.8	UN
Efficiency			
Assets/Sales (%)	UN	81.8	UN
Sales / Net Working Capital	UN	9.0	UN
Utilization			
Total Liabilities / Net Worth (%)	UN	97.2	UN

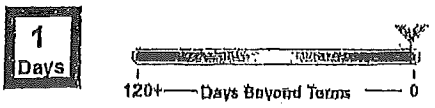
UN = Unavailable

Detailed Trade Risk Insight™

Detailed Trade Risk Insight provides detailed updates on over 1.5 billion commercial trade experiences collected from more than 260 million unique supplier/purchaser relationships.

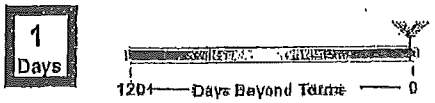
Days Beyond Terms - Past 3 & 12 Months

3 months from May 11 to Jul 11



Dollar-weighted average of 6 payment experiences reported from 5 companies

12 months from Aug 10 to Jul 11

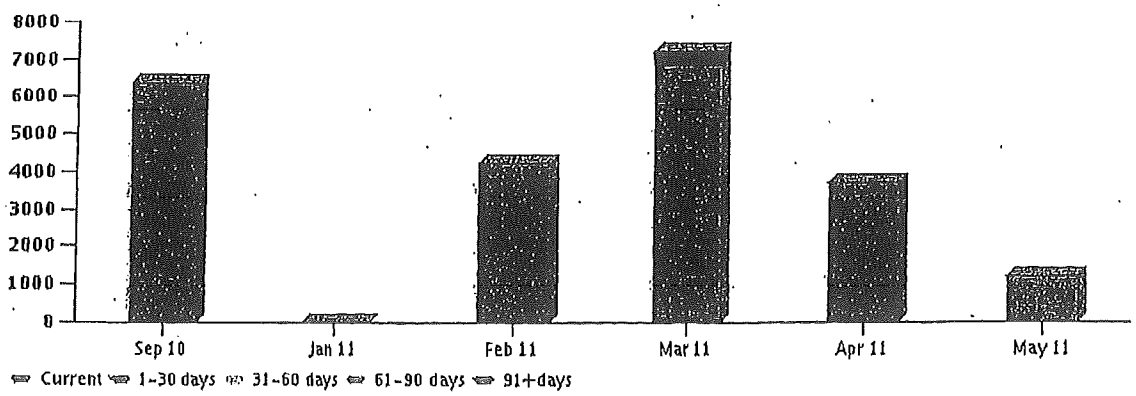


Dollar-weighted average of 5 payment experiences reported from 5 companies

Derogatory Events Last 6 Months from Sep 10 to May 11

No Derogatory trade Event has been reported on this company for the past 13 Months

Total Amount Current and Past Due - 6 month trend from Sep 10 to May 11



Status	Sep-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11
Total	6,380	0	4,234	7,221	3,710	1,168
Current	6,380	-	4,234	6,805	3,710	1,168
1-30 Days Past Due				416		
31-60 Days Past Due	-	-	-	-	-	-
61-90 Days Past Due						
90+ Days Past Due	-	-	-	-	-	-

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Exhibit U

ARMSTRONG TEASDALE LLP

MISSOURI | KANSAS | ILLINOIS | NEVADA | WASHINGTON, DC | SHANGHAI

ATTORNEYS AT LAW

Memorandum

To: Mamtek U.S., Inc.

From: Mark A. Boatman

Date: May 28, 2010

Subject: The Industrial Development Authority of the City of Moberly, Missouri Annual Appropriation Capital Project Bonds (Project Sugar) Series 2010

Mamtek U.S., Inc. (the *"Borrower"*) and its counsel are requested to provide the documents, materials, and information specified in this Memorandum in order for Morgan Keegan & Company, Inc. (the *"Underwriter"*) and its counsel, Armstrong Teasdale LLP (*"Underwriter's Counsel"*), to conduct properly their due diligence review of the organization, operations, and financial condition of the Borrower and to assist in the preparation of the Official Statement with respect to the above-referenced bonds (the *"Bonds"*) and the project consisting of the acquisition of and making of improvements to real property and the construction and equipping of a sucralose manufacturing and processing facility within the City of Moberly, Missouri (collectively, the *"Project"*).

The due diligence process is necessitated by federal and state securities laws that impose duties to disclose to potential purchasers of securities information that is material to the ability of purchasers to make an informed investment decision. Federal securities laws specifically provide that it is unlawful for any person, in connection with the offering or sale of any security, to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

In order to provide this information to potential purchasers, information describing the Borrower, the Project, and the Bonds will be set forth in the Official Statement. This information will include descriptions of, among other matters, the facilities, operations, and management of the Project, the revenues, expenses, and financial condition of the Borrower and the Project, and any other material information relating to the Borrower, the Project, and the Bonds. This information must be accurate and complete in all respects and must not omit any information that potential investors might consider material in making a decision to purchase the Bonds.

The Borrower is responsible for the accuracy and completeness of the information concerning the Borrower and the Project to be contained in the Official Statement. Consistent with this responsibility and with securities practices, certifications will be requested from management of the Borrower to the effect that such information contained in the Official Statement is true, correct, and complete and does not contain a misstatement or omission of a material fact. Each underwriter involved in a public securities offering has a responsibility to use reasonable care to form a belief as to the accuracy and adequacy of the information provided for inclusion in the official statement. The information requests made by the

Underwriter and Underwriter's Counsel during this transaction are necessary to enable the Underwriter to exercise such reasonable care.

Attached is a questionnaire and a list of documents that Underwriter's Counsel would like to review. To the extent possible, Underwriter's Counsel would appreciate it if the requested items could be photocopied and sent to the undersigned, c/o Armstrong Teasdale LLP at One Metropolitan Square, Suite 2600, St. Louis, Missouri 63102 prior to June 15, 2010 or at 7700 Forsyth Boulevard, Suite 1800, St. Louis, Missouri 63105 after June 14, 2010. We will return any items you request to be returned. It would be helpful if the furnished items are tagged with the numbers of the corresponding items on the list. If any requested information or document does not apply to the Borrower or the Project, please so indicate by writing "None" or "Not Applicable" next to that item on the attached list. If any information or document requested has already been provided to Underwriter's Counsel, please note "Previously Provided" on the list.

There may be some overlap in certain documents as information requested in the Document Request. It is not necessary to duplicate documents or information. Your assistance in responding to these requests is appreciated.

If you have any questions concerning any request, please contact Mark A. Boatman at (314) 552-6644, or Eva Merrell at (314) 621-5070, extension 7204.

Very truly yours,

Mark A. Boatman

Exhibit V

From: Shea, Lynne
Sent: Tuesday, April 06, 2010 3:03 PM
Subject: Mamtek Follow Up

Tom,
In follow up to your email. I am working on a revised state proposal. I will notify the communities that are not on the short list.

I do want to reinforce the needs for financials before asap. As you know, the local banks are more than eager to participate as a partner in this exciting business opportunity in Missouri. In order have a preselected lead bank ready to meet with the USDA by 4/26 it will be necessary the financials, business plans before they can state their level of commitment. Due to the fact the US company has not been formed, financials from the Chinese company would be helpful. Other vital information needed is: the name/assets of the US partners, contracts for the presold product, location of Chinese company (Mainland China or Hong Kong).

Again, I want to assure the State of Missouri is ready to assist Mamtek in its establishment of US operations and look forward to a long partnership together.

Lynne Shea
Project Manager
Missouri Department of Economic Development
301 E. High Street, Room 720
PO Box 118
Jefferson City, MO 65101
lynne.shea@ded.mo.gov
(573)751-5798 desk
(573) 751-7384 fax
(573) 694-2085 cell

Exhibit W

From:	Shea, Lynne
Sent:	Wednesday, April 07, 2010 10:24 AM
Subject:	FW: Follow Up on Concepts for Mamtek to Locate in Missouri Project #01003015
Attachments:	Short PROJECT INFORMATION OVERVIEW.docx

Good Morning,
Thank you for your time and effort last week showing Mr. Smith your community. Based on his review, he has chosen your community to move forward in the selection process. Below is an email from him regarding next step for the project.
Key information:

- Currently planning on returning to Missouri week of 4/26.
- We met with the USDA last week regarding the B & I loans. He would also be open to other financing streams, IRBs, NIDs.
- I have reiterated the following to Tom Smith via email/phone (copy of a portion of my email) :

  I do want to reinforce the needs for financials, business plan and utility requirements asap. As you know, the local banks, communities and the state are more than eager to participate as a partner in this exciting business opportunity. In order have a preselected lead bank(s) ready to meet with the USDA by 4/26, it will be necessary for the all of the parties have time to review the financials, business plans. Due to the fact the US company has not been formed, financials from the Chinese company would be helpful. Other vital information needed is: the name/assets of the US partners, contracts for the presold product, location of Chinese company (Mainland China or Hong Kong).

- I will be revising the state proposal with specifics dollar amounts on BUILD, CDBG and revised MQJ/EEZ estimates. I look to have that to you by the end of the week or first of next.
- Please have your local proposal to me by 4/22, I will include in my presentation binder for his visit.
- I will forward any additional information I receive from Tom Smith to you as I receive it.
- Feel free to contact me with any additional questions. I have attached the email that I received from Tom Smith:

As we discussed last week, the Mamtek opportunity has evolved in a positive way. I am hoping you can help me move the Mamtek site selection to the next level by providing information that is important to building site specific pro forma financials. If possible, I'm hoping we can get a letter (this week) from you with answers to the questions below, which will be used by Mamtek's principals to make the site selection.

We need to revisit the site size and look for a location of approximately 25 acres. I've attached a short project overview which focuses on Phase 1 of the project, which is similar to what we have previously discussed, but lays out the future requirements for growth. Mamtek is committed to building the initial 85,000 square foot facility as quickly as possible, and would like to provide for rapid expansion, driven by pre-sold product demand.

Mamtek is focused upon quickly developing a financing scenario tailored to specific locations. They will develop pro forma financial statements and a business plan tailored to the proposed location. I'm hoping you can help me put together a specific scenario that Mamtek can use to generate these financial documents.

SITE SELECTION: The following background lead to increasing the planned size of the planned site. Mamtek has pre-sold virtually the entire production of the proposed U.S. facility. As a result, they are considering a second phase to be constructed 12-18 months following completion of the current effort. Mamtek predicts a total requirement for 22 production lines to support U.S. production. This could require the construction of five of the 85,000 square foot structures over the next 5-7 years. Consistent with the potential

growth in production, similar growth of employment from 161 to as many as 700-750 could occur. The second phase would add 150 employees to the initial staff.

PROJECT FINANCING: The total Phase 1 project will be approximately $35,000,000. The project cost estimate does not include costs associated with major improvements to access the site. The owners will provide the capital for anything in excess of $25,000,000. The owners will have more than 20% of tangible and/or liquid investment in the project. The owners would prefer to own the facility, but will consider leasing it from the City if that generates advantages to financing the project. They would like to pursue financing in the following manner:

1. **Community Development Block Grant** – Hopefully the use of CBDG funds will be used to improve access to the proposed site and bring utilities to the location as well. Please indicate the amount of CBDG funding for which the project is qualified. The actual amount of the CBDG funding will be tailored to the project by the City.

2. **Other Grant or Funding Programs** - Please indicate any grant or other funding programs which could reduce the amount of any loan requirement. Tax abatements may not be relevant, as they are paid "in arrears" and are best used to improve cash flow over time. Local or state managed grants or incentives that reduce the amount of loans are extremely desirable. Please indicate any relevant programs and estimates of amount or formulas used to determine funding levels.

3. **Business & Industry (B&I) Guaranteed Loan Program** – Mamtek would like to pursue a USDA guaranteed B&I loan of $25,000,000. They would like to submit a preapplication with financials and an executive version of the business plan approximately 26 April. If approved, Mamtek will focus on USDA funding as a source of financing. Please indicate "subject to appropriate financial information and loan application documents" banks that would consider participating in the loan pursuit and the general terms of such a loan (term of loan, projected interest rate, points, closing costs, etc.). The intent is to identify who Mamtek should work with to develop the USDA pre-application.

If the USDA loan is not available:

4. **Industrial Revenue Bond** – In the event that USDA backed loans are not available, Mamtek would like to pursue an Industrial Revenue Bond, or similar financing instrument. Please indicate "subject to appropriate financial information and loan application documents" the City's willingness to support such a bond and the general terms of such a loan (projected interest rate, points, closing costs, etc.). The intent is to begin putting together supporting information as a backup strategy to the USDA loan.

5. Other Questions Related to Building Pro Forma Financials -

LAND: If Mamtek needs to build a total of 425,000 square feet of production space (over the next 5-7 years) it seems like a minimum of 20 acres of ground is needed for a Greenfield project. The initial project will be the 85,000 building, and subsequent phases would expand the original building.
- In this scenario is 20 acres adequate for zoning?
- Is extending the original building for each subsequent phase acceptable?
- At 20 acres, what would "average" land values be?
- What costs are proposed for land for this project?

BUILDING PERMIT: Assuming construction costs and permanently installed equipment are approximately $27,000,000, of which "hard" construction costs could be $6-8,000,000:
- What would the cost of a building permit be (is there a formula for calculation)?
- What are the costs associated with other potential permits (electrical, plumbing, HVAC, etc.)

• Are there any "standard" charges for connection to water or sewer?

GENERAL CONTRACTOR: Mamtek would like to use a local general contractor to construct the building, site improvements and facilitate installation of this equipment (Mamtek will provide subcontractor contact information for equipment acquisition and installation).
• Can you recommend local General Contractors capable of executing the project?

UTILITIES: For the purposes of budgeting can you provide costs for standard utilities:
• Average cost per kilowatt hour:
• Average cost/formula for water usage:
• Average cost/formula for wastewater:
• Average cost/formula for natural gas:
• Average cost/formula for trash removal (non-hazardous waste)

Again, thank you for your assistance in putting together this information. Your letter will be used by Mamtek to focus their site selection efforts. If it's possible to get the letter this week I really appreciate it.

Thanks!

Tom
--

Thomas A. Smith
Capital Business Development Associates

Lynne Shea
Project Manager
Missouri Department of Economic Development
301 E. High Street, Room 720
PO Box 118
Jefferson City, MO 65101
lynne.shea@ded.mo.gov
(573)751-5798 desk
(573) 751-7384 fax
(573) 694-2085 cell

PROJECT INFORMATION – Mamtek International, Ltd.

Date: 5 Apr 2010

Company: Mamtek International, Limited Website: http://www.mamtek.com/index.php/Sucralose.html

DUNS: 961747677 Chinese bank: Mensheng Bank Exiting Production Facility: Fujian Province.

Contact Name: Thomas A. Smith E-Mail Address: Thomas.smith@cb-da.com

Address: 6411 Casperson Road City: Alexandria State: VA Zip Code: 22315

Contact's Telephone: (703) 980-0332 Fax: (703) 922-6963

Parent Company: Mamtek International, Limited

US Ownership

Parent Company Address: 3040 Motor Avenue City: Los Angeles State: CA Zip Code: 90064

Industry Type: Manufacturing

Company Description: Mamtek International is a manufacturer and marketer of authentic sucralose: a healthy, environmentally-sound, no-calorie, no-carb high-intensity sweetener. Sucralose is a very low-cost alternative to sugar and approved by the US Food and Drug Administration as well hundreds of other countries worldwide.

PROJECT LOCATION:

Will consider any location statewide.. Ability to obtain financing and incentives will drive site selection

IF New Building Sq. Ft: 85,000, with minimum of 60,000 sqft having 35' or greater ceiling height
IF Existing Building Sq. Ft.: 85,000, with minimum of 60,000 sqft having 35' or greater ceiling height

Power: 440 – anticipate using 5000 kwh per month Water: No unusual requirements (not used in process)

Prefer to own the facility or enter into long-term lease with municipality or bonding authority

Land Acres: Assuming 85,000 sqft building requires 3 acres, no less than 15 acres and no more than 25

Estimated Decision Date: 1 May 2010 Estimated Commencement Date: 1 Jul 2010

PROJECT TYPE

New United States Location

INVESTMENT

Project total of 22 production lines (built in 5 line increments with dedicated 85,000 sqft bldg) Build/growth decision based upon presold product demand.

New Investment: Year 1: $ 35,000,000 Year 2: $ 25,000,000 based upon sales growth
Year 3: $25,000,000 based upon sales growth Year 4: $ 25,000,000 based upon sales growth
Year 5: $ 25,000,000 based upon sales growth

Total: $ 135,000,000

Purchase of Real Estate: $ 150,000 Construction: $9,350,000

Purchase of M & E: $ 18,000,000

Planning to use reputable local commercial General Contractor to execute Design Build construction

JOBS

New Full Time Jobs: Year 1: 165 Year 2: 150* Year 3: 150* Year 4: 150* Year 5: 150*
Total: 765* *Build/growth decision based upon presold product demand.

New Part Time Jobs: Year 1: 0 Year 2: 0 Year 3: 0 Total: 0
Average Starting Wage: Base salary of $35,000 and total loaded compensation equal to $45,150
12 supervisory employees will earn base salaries of $45,000 – $70,000. These jobs are "green", high-tech driven and long-term as they are embedded in an industry of tremendous current demand and ongoing growth.

Existing Number of Employees: 0 Existing Employees Avg. Wage: N/A

Percentage of Employees Health Care Benefits Provided: 100%

Occupation Title: General Manager # of New Jobs: 1
Occupation Title: Deputy General Manager # of New Jobs: 1
Occupation Title: Human Resources Manager # of New Jobs: 1
Occupation Title: Production Supervisor # of New Jobs: 3
Occupation Title: Technical Overseer # of New Jobs: 6
Occupation Title: Secretary # of New Jobs: 1
Occupation Title: Bookkeeper # of New Jobs: 2
Occupation Title: Production Worker # of New Jobs: 120
Occupation Title: Warehouseman # of New Jobs: 6
Occupation Title: Technical Specialist # of New Jobs: 6
Occupation Title: QA/QC # of New Jobs: 3
Occupation Title: Security Guard # of New Jobs: 3
Occupation Title: Receptionist # of New Jobs: 3
Occupation Title: Janitor # of New Jobs: 3
Occupation Title: Laborer # of New Jobs: 3

TRAINING
Expected Hiring or Training Schedule:

Oct 1 - Hire Management – 45-60 days of orientation, process training, regulatory training
Oct 15 – Hire 34% of staff – 45 days of orientation, process training
Nov 1 – Hire remaining staff – 30-45 days of orientation, process training

Areas of Instruction:

- Concepts of Sucrose manufacturing
- Production line processes
- Workplace safety
- Equal opportunity
- Specific equipment cold, start, warm start processes
- Specific equipment shut down procedures
- Equipment safety
- Maintaining food quality cleanliness
- Packaging
- Shipping
- Quality Assurance
- Quality Control
- Material handling, licensing as required
- Material storage
- Packaging, preservation
- Shipping/transportation
- Inventory control
- Production management
- Human resources management
- Logistics management
- Information technology, application training
- OSHA compliance
- Operations management
- Communications systems
- Physical security, alarms, detection
- Develop position descriptions and performance standards
- Maintenance Planning
- Maintenance standards and inspection
- Repair parts management

OTHER SYNERGIES:

INGREDIENTS: Local Purchase of Sucrose Ingredient Chemicals: Mamtek would like to buy its ingredients from local, and/or Midwestern companies.

Manufacturing process ingredients	per month	per year
Sugar	25000	300,000 kg per year
DMF(Dimethylformamide)	38000	456,000 kg per year
Methanol	16000	192,000 kg per year
Hydrochloric Acid	8000	96,000 kg per year
Ethyl acetate	40000	480,000 kg per year
Alkali	27000	324,000 kg per year
Triphosgene	60000	720,000 kg per year
Sodium chloride	7500	90,000 kg per year
Aether	4000	48,000 kg per year

TRANSPORTATION: Mamtek will transport its production throughout the United States, Mexico, Canada and to West Coast ports via long-haul truck. Mamtek would like to establish local relationships to support this trucking.